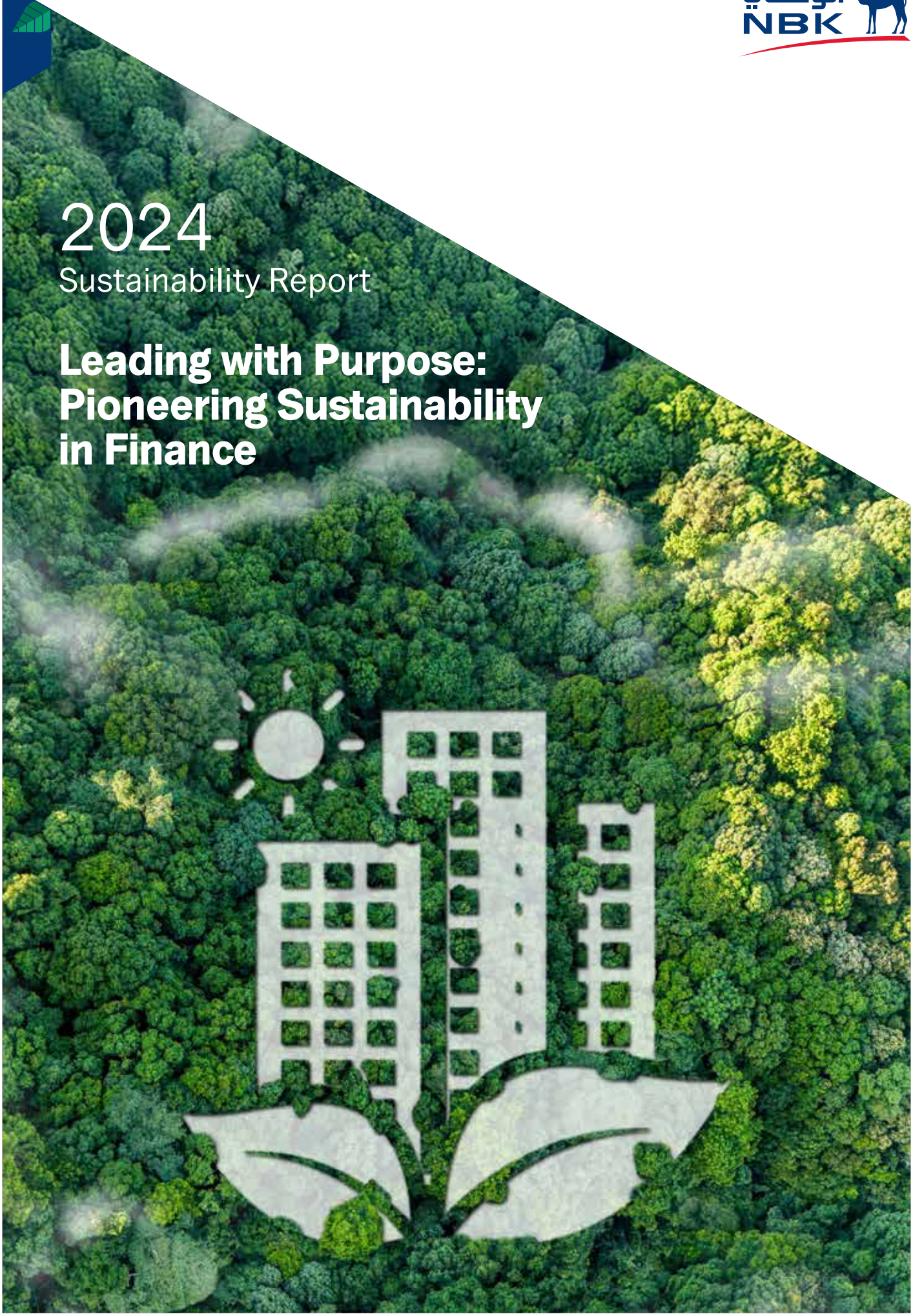
الوطني
NBK

2024
Sustainability Report

Leading with Purpose: Pioneering Sustainability in Finance



1

Table of Contents

1. About This Report

1.1 Report Scope 7
1.2 Chairman's Message 8
1.3 Vice Chairman & Group Chief Executive Officer's Message 10
1.4 2024 ESG Highlights 12

2. About NBK

2.1 Purpose and Strategy – Vision, Mission, and Values 21
2.2 Regional and International Presence 22
2.3 Product Portfolio 23
2.4 Awards, Agreements, and Partnerships 24

3. ESG at NBK

3.1 NBK's ESG Journey 28
3.2 Our ESG Strategy 30
3.3 Stakeholder Engagement 32
3.4 Materiality 33

4. Governance For Resilience

4.1 Corporate Governance 42
4.2 Governance, Ethics and Compliance 51
4.3 Risk Management 55
4.4 NBK Modular ESG Governance 56
4.5 Business Continuity and Operational Resilience 61
4.6 Scenario Planning, Stress Testing & Capital Adequacy Planning 61
4.7 Financial Performance 62
4.8 Tax Transparency and Anti-Corruption 63
4.9 Establishing Stronger Investor Relationships 64

5. Responsible Banking

5.1 Sustainable Finance 68
5.2 Climate Change and Decarbonization 75
5.3 Responsible Procurement 81

6. Capitalizing on Our Capabilities

6.1 Human Development 86
6.2 Diversity and Inclusion 98
6.3 Employee Well-being 103
6.4 Digital Transformation 106

7. Investing in Our Communities

7.1 Customer Experience and Satisfaction 118
7.2 Community Development 121
7.3 Financial Inclusion, Accessibility, and Literacy 132
7.4 Privacy and Data Security 138

8. Appendix

8.1 GRI 142
8.2 SASB 149
8.3 Boursa Kuwait, SDGs, Kuwait Vision 2035 151
8.4 Greenhouse Gas (GHG) Assurance Statement 154
8.5 GRI Independent Assurance Statement 157

1

About This **Report**

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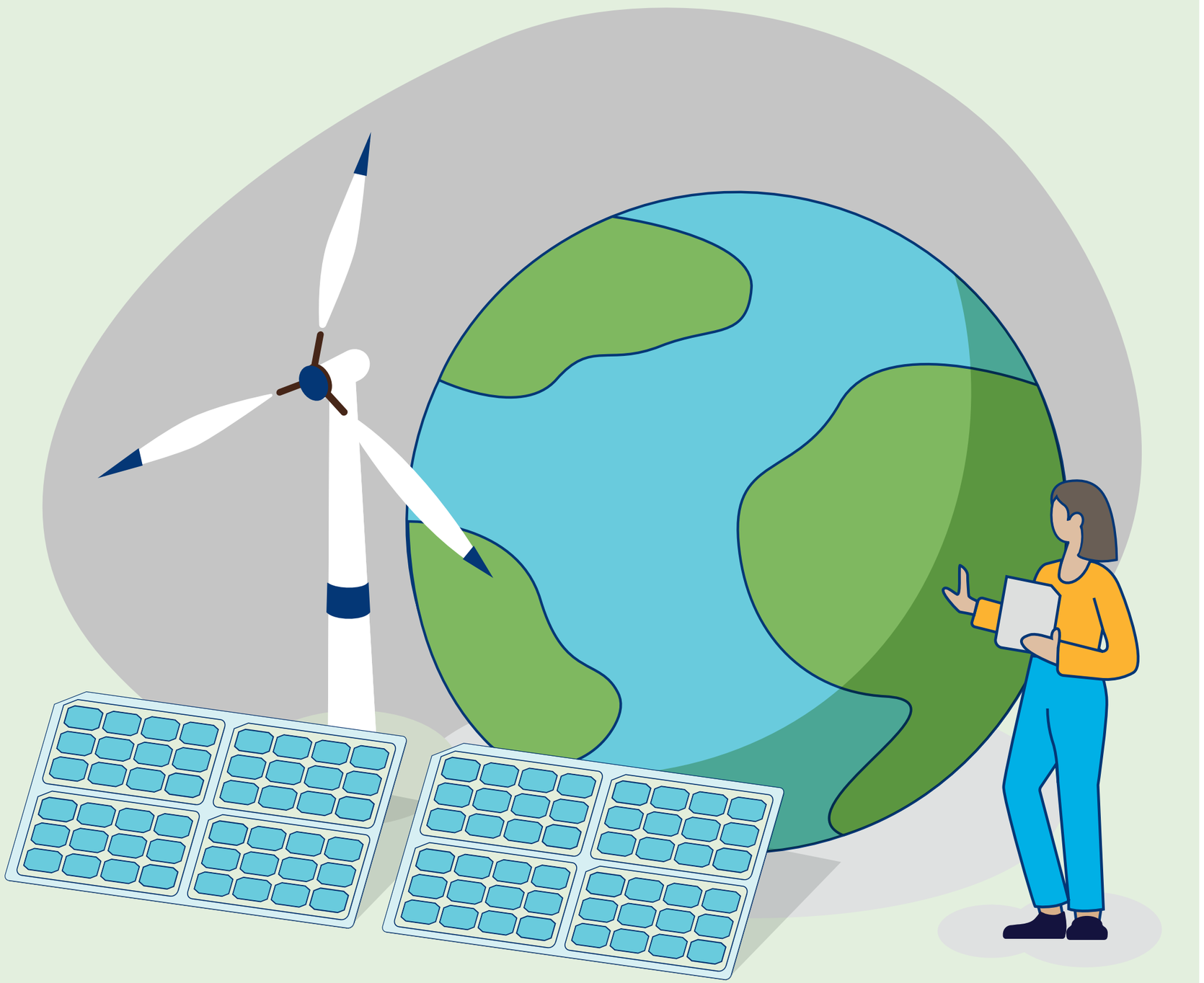
This section describes the reporting period, boundary, and framework for NBK's 2024 Sustainability Report. This is followed by messages from NBK's Chairman, and Vice Chairman & Group Chief Executive Officer (GCEO).



1.1 **Scope** of this Report

Reporting Period
This is NBK's Ninth Annual Sustainability Report which covers the period from Jan. 1 to Dec. 31, 2024. The reporting period aligns with NBK's financial reporting, however due to the time sensitivity of regulatory requirements on financial disclosures, coupled with the increased level of disclosure required in the Sustainability Report, the annual report containing financial disclosures was published at a prior date. In some instances, the report also contains forward-looking statements to highlight our future aspirations. Information publicly available in other reports is referenced to ensure the fluidity and clarity of this report. This report was published on May 28th 2025.

Boundaries
The report boundaries, unless otherwise stated, are NBK Kuwait operations. Where appropriate, some information on ESG matters is highlighted for our overseas subsidiaries and branches, which include: NBK UK (NBKI), NBK France (NBKF), NBK Egypt (NBKE), NBK New York (NBKNY), and NBK Singapore (NBKS).

Framework
The report is developed in alignment with the following standards and frameworks: the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the United Nations Global Compact (UNGC), the Accountability 1000 Stakeholder Engagement (AA1000SES), Boursa Kuwait's ESG Reporting Guidelines, and Kuwait Vision 2035.

Basis for Conversion
The United States dollar amounts in this report have been converted using an exchange rate of KWD 0.3081 per USD, representing the mid-market rate as of Dec. 31, 2024.

Mistakes and Typographical Errors
If any material or typographical errors are identified after the Sustainability Report is published, they will be rectified and subsequently published on our website.

Report Development and Additional Resources
The report is complemented by NBK's 2024 Annual Report and published policies, which can be accessed at https://www.nbk.com/. This year's report references information for a more comprehensive disclosure.

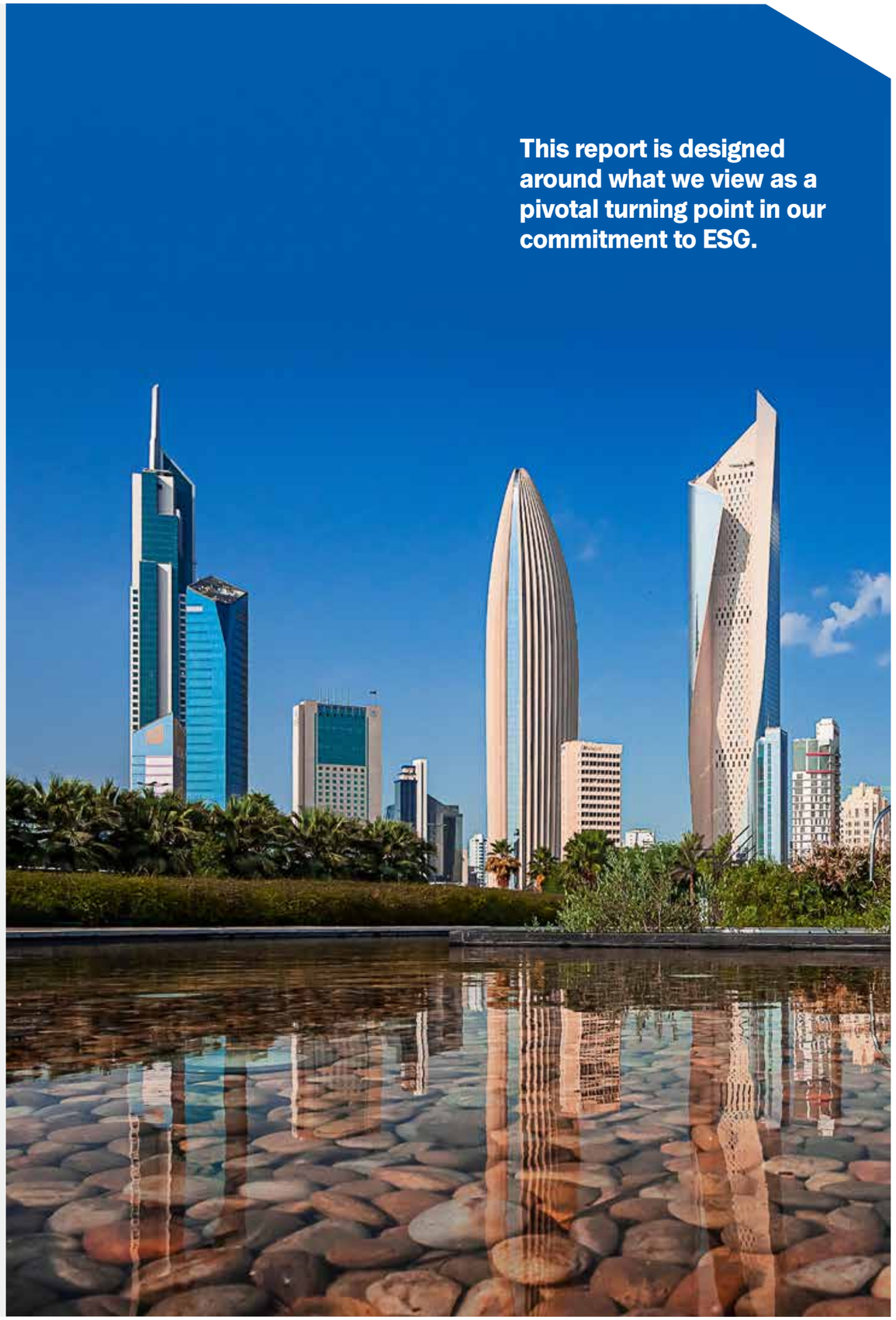
Regular internal controls and the active involvement of relevant departments facilitated the development of this report.

This report is externally assured to ensure alignment with the Global Reporting Initiatives Standards, GHG Protocol, and ISO 14064-1. NBK's Group Sustainability Unit independently coordinates and manages the external assurance process for the annual Sustainability Report.

For further inquiries, please reach out to us via:
Email: sustainability@nbk.com
Tel: +965 2229 1111

Social Media:
- LinkedIn: National Bank of Kuwait | LinkedIn
- X: https://twitter.com/NBKPage
- Instagram: https://www.instagram.com/nbkgroup/

This report is designed around what we view as a pivotal turning point in our commitment to ESG.



1.2 Chairman's Message

As of year-end 2024, we have made significant progress toward our long-term sustainability goals, particularly in expanding our portfolio of sustainable assets

Hamad Mohamed Al-Bahar
Chairman

It is with great pride that I present NBK's 2024 Sustainability Report, a reflection of our unwavering commitment to integrating environmental, social, and governance (ESG) principles into the core of our strategic vision and operations.

Over the past year, we have continued to advance our three-year ESG Roadmap, achieving meaningful progress in our journey toward building a resilient, inclusive, climate-conscious financial institution. Our commitment to responsible banking includes an aim to become carbon neutral by 2060, an increase in the proportion of energy we source from renewable means, and the incorporation of ESG considerations into our procurement policies.

Our commitment to transparency and climate accountability was further solidified through our formal membership in the Partnership for Carbon Accounting Financials (PCAF), making NBK the first financial institution in Kuwait, and one of only a select few in the Middle East, to align with this global network. By taking the important step of quantifying our financed emissions and integrating them into our Scope 3 disclosures, we are deepening our accountability and enhancing our ability to manage the broader climate impact of our financing decisions. In line with our commitment to global climate action, NBK proudly participated in the 29th UN Climate Change Conference (COP29), further reinforcing our position as a regional leader in sustainable finance.

As a part of our long-term commitment to building a future-ready institution, we continued to strengthen our ESG governance framework by laying the foundation for more robust, forward-looking risk management. The release of our first TCFD aligned report reflects our ambition to embed climate governance at the core of our operations, enhancing our ability to anticipate and respond to emerging environmental risks.

Internally, we continued to embed responsible practices across our operations. This included implementation of a Sustainable Procurement Strategy Framework, the integration of ESG clauses into our procurement policy, and updated our Supplier Code of Conduct. We also finalized our Diversity, Equity, and Inclusion (DE&I) Commitment Statement, aligning it with our goal of fostering an inclusive and equitable work environment.

Our efforts extend beyond the institution itself. We expanded our flagship financial literacy program "Bankee," and deepened our engagement with youth development and environmental organizations, amplifying our impact on inclusive and sustainable development across the region.

NBK's sustainability journey is supported by sound governance. Our Sustainability and Climate Change Committee continues to provide strategic oversight, while dedicated training programs have helped embed ESG awareness and accountability across the Group.

As of year-end 2024, we have made significant progress toward our long-term sustainability goals, particularly in expanding our portfolio of sustainable assets. This journey remains guided by Kuwait Vision 2035 and global frameworks such as the UN Global Compact is fueled by the trust and partnership of our stakeholders.

I extend my heartfelt gratitude to our employees, partners, and stakeholders for their enduring trust and support. Together, we are not only meeting today's expectations but shaping a more sustainable and prosperous future for generations to come.

1.3 Vice Chairman & Group Chief Executive Officer's Message

Isam J. Al-Sager
Vice Chairman & Group Chief Executive Officer (GCEO)

We have successfully achieved our interim target of reducing our operational emissions by 25% by 2025

To all our esteemed stakeholders,

On behalf of NBK's management and staff, I am proud to present our 2024 Sustainability Report. This year's edition demonstrates our approach to driving impactful, long-term growth by aligning financial performance with sustainable development, placing particular focus on sustainable finance and the integration of ESG risks into our decision-making frameworks.

Since embarking on our ESG journey in 2016, we have made significant strides in embedding sustainability principles into our strategy, governance, and operations. As market dynamics and stakeholder expectations continue to evolve, our transition remains guided by a comprehensive ESG strategy, centered around a clear three-year roadmap. Our four strategic ESG pillars: Governance for Resilience, Responsible Banking, Capitalizing on Our Capabilities, and Investing in Our Communities, embody our core values and reinforce NBK's position as a trustworthy, forward-looking financial institution.

A defining milestone was the successful issuance of our inaugural USD 500 million Green Bond under NBK's medium-term securities program, marking a historic first for any Kuwaiti bank. This significant milestone reflects our broader vision to lead the transition toward a low-carbon economy, catalyze sustainable finance in the region, and channel capital toward building climate-resilient infrastructure. It is a powerful testament to our role in shaping a more sustainable future for Kuwait and our international community. To further institutionalize sustainable practices, we launched our Sustainable Procurement Strategy Framework, setting clear expectations for environmentally and socially responsible sourcing across our supply chain. Our commitment to fostering a diverse, equitable, and inclusive workplace remains a top priority. We continue to implement a wide range of human capital initiatives aimed at attracting, developing, and retaining top talent, while simultaneously driving digital transformation, enhancing customer experience, and deepening long-term stakeholder relationships.

NBK remains firmly committed to achieving carbon neutrality by 2060, in line with Kuwait's national ambition. We have successfully achieved our interim target of reducing our operational emissions by 25% by 2025. As a proud member of the United Nations Global Compact, we uphold its ten principles—covering human rights, labor, environmental protection, and anti-corruption—and continue to align our business practices with the highest international standards.

1.4
2024 ESG Highlights

Data Performance Tables

Governance for Resilience		
Disclosure Metric	**NBK Performance**	**ESG Category**
Percentage of Independent Board Members	36% (4 out of 11 members are independent)	Governance
Percentage of Board Members with Industry Expertise	100%	Governance
Percentage of Board Members with ESG Credentials/Experience	100%	Governance
Independent Board Committee Chairs	3 out of 5 Board Sub-Committees have independent Board Committee Chairs (Board Audit Committee, Board Risk & Compliance Committee, and Board Nomination and Remuneration Committee).	Governance
Board Attendance 2024	Average Board member attendance rate: 95%	Governance
Female Director	9% (1 out of 11 members)	Governance
Number of flagged Board Members	Zero	Governance
Any disclosed related-party transactions in either of two most recently reported financial years	Yes	Governance
Business Ethics Risk & Controversies	Zero reported Whistleblowing cases and incidents of breaching code of conduct in 2024.	Governance
Corruption Risk Exposure & Controversies	Zero incidents related to corruption, fraud, money laundering or bribery in 2024.	Governance
Percentage of long-tenured, aging Directors suggests a problem with Board entrenchment	Zero, In line with the CBK's guidelines, NBK's AGM elected 11 members for its Board for a three-year term, which included two extra independent members, bringing the total of independent members to four.	Governance
Composition of the Board fails to include any female directors	N/A, Female representation on the Board is 9%.	Governance
Audit committee (BAC) lacks at least one non-executive member with general expertise in accounting or financial management	No, 100% of NBK BAC members and representatives possess expertise in either accounting or financial management.	Governance
Audit committee lacks at least one non-executive member who has substantial industry knowledge	No, 100% of NBK BAC has substantial industry knowledge and experience.	Governance
Company executive(s) are serving on the pay committee	No	Governance
Current company executives serve on the pay Committee's Board	No	Governance
Lack of a standing Nomination Committee	No, NBK Nomination and Remuneration Committee assists the Board in developing the Group's remuneration framework and ensures effective implementation in accordance with Group remuneration policy.	Governance
The Nomination Committee Chair is Not Independent of Management or Other Interests	No, the Chair of NBK's Board Nomination and Remuneration Committee (BNRC) is independent of management or other interests.	Governance
Whistleblower Protection	Yes, NBK has a Whistleblowing Policy that is available to all its employees. It provides guidelines for independent resolution systems for allegations of retaliation, along with a defined escalation process for reporting incidents.	Governance
Policies Related to Anti-Money Laundering	Yes, NBK has an Anti-Financial Crime statement and an independent AML/CFT unit, which directly reports to the BRCC. The Bank also has an AML/CFT Policy, Anti-Fraud Policy, and Anti-Bribery and Corruption Policy, that are annually reviewed and approved by the Board.	Governance
Employee Training on Ethical Standards	Yes, NBK employees are provided with mandatory annual and bi-annual training programs on areas related to Legal Compliance, Code of Business Ethics and Conduct, Anti-Corruption and Bribery, and Anti-Money Laundering.	Governance
Regular Audits of Ethical Standards	The Group Internal Audit annually audits the Bank's corporate governance and reviews its ethical policies, in line with the Central Bank of Kuwait's requirements.	Governance
Incorporation of Links to Sustainability Performance in Its Current Executive Pay Policies	Yes, NBK has incorporated ESG milestones into the KPIs of its Executive Management members.	Governance
Board & Executive Management Responsibility & Oversight of ESG	Yes, ESG metrics are seamlessly integrated into the Board of Directors', Board Sub-Committees, and Executive Management's responsibilities, oversight, charters, and affairs.	Governance
ESRM Integration and Risk Management	NBK has developed and began implementing a bank-wide Environmental & Social Risk Management (ESRM) Framework Details outlined in NBK's 2024 TCFD report. https://www.nbk.com/dam/jcr:6774094e-f863-4a94-9517-fcc4c655a0b2/NBK%20TCFD%20Report-2024.pdf	Governance
Support SDGs (United Nations Sustainable Development Goals)	Identified SDGs relevant to NBK's business and the strategic pillar of Governance and Resilience.	Governance

Responsible Banking		
Disclosure Metric	**NBK Performance**	**ESG Category**
Sustainable Finance	Achieved USD 4.97 billion in sustainable assets, advancing progress toward the Bank's USD 10 billion target by 2030.	Governance / Environment
Financing Environmental Impact	• Issued a USD 500 million Green Bond — the first by a financial institution in Kuwait • Joined the Partnership for Carbon Accounting Financials (PCAF), becoming the only Kuwaiti member and one of just 15 in the Middle East • Launched an ESG scorecard to enhance risk materiality assessments and integrate ESG into credit analysis • Initiated quantification of absolute financed emissions as part of Scope 3 emissions • Extended USD 2.52 billion in sustainable loans across the Group to clients with environmental and/or social impact	Governance / Environment
Environmental Finance Opportunities	• Expanded green product offerings, including eco-friendly EV and housing loans • Continued to explore environmental financing opportunities within the Sustainable Financing Framework	Environment
Controversies	None	Environment
Reducing GHG Emissions	• Completed solar panel installation at 18 branches in 2024, advancing progress toward expansion to 24 branches by 2025 • Committed to achieving carbon neutrality by 2060 • Achieved a 28.30% reduction in Operational GHG emissions compared to 2021 baseline, effectively reaching the 2025 interim emissions reduction target	Environment
Energy and Resources Management	• Saved 389,914 kWh of energy • Recycled 86% of the total paper consumed • Reduced water consumption by 20.85% YoY	Environment
Supply Chain ESG	• Implemented a Sustainable Procurement Strategy Framework • Launched an updated Supplier Code of Conduct incorporating ESG clauses • Initiated supplier screening based on environmental and social criteria • Required all vendors to sign a declaration including human rights commitments	Social / Environment
Support SDGs (Sustainable Development Goals)	Identified and aligned priority SDGs with NBK's strategic pillar of "Responsible Banking."	Social / Environment

Capitalizing on Our Capabilities		
Disclosure Metric	**NBK Performance**	**ESG Category**
Human Capital Development Strategy	NBK's ESG Strategy is committed to driving sustainable business growth through resilient organizational initiatives, including diversity and inclusion promotion, employee engagement, local talent empowerment, and advancement of agile working environment.	Social
Distribution & Outreach	Through the Bank's digital transformation strategy, NBK managed to develop various customer-centric digital solutions and large-scale projects in 2024. NBK introduced over 90 new features and improvements to the Mobile Banking App, to enhance user experience, advance security and payments, expand innovative digital products, and enhance relationship management and smart convenience.	Social
Human Capital Development Programs and Initiatives	• NBK retains the implementation of NBK RISE, an international leadership program for female leadership empowerment • NBK continues to invest in its employees' career development and digital, technical, and soft competencies through a set of compulsory, leadership, and topic-specific training programs at all levels • NBK managed the youth and local talents through NBK Academy and NBK-Tech Academy • Securing five-year exclusive free membership with Al-Seef Hospital to cover health benefits that are not covered by the current health insurance provider	Social
Human Capital Development Performance: Leadership Training and Talent Management Program; Performance Appraisal and feedback, Job Specific Development Training Programs	• NBK partnered with the Coaches Circle Academy in Vancouver to facilitate the participation of NBK leaders in the Coaches Circle Academy training program • As part of NBK High-Fliers Program, senior personnel were provided with co-hosted leadership masterclasses by the IE Business School in Madrid • NBK maintains an organizational Succession Plan, which is evaluated yearly by the BOD and BNRC • NBK employees receive regular performance review upon tailored KPIs for each role in the second half of the fourth quarter of each fiscal year • Every two years, NBK carries out an Employee Engagement Survey to assess the employees' satisfaction with their daily operation at NBK The last survey was conducted in Q3 2023	Social
Human Capital Development Performance: Employee Turnover	11.5% annual employee turnover.	Social

Capitalizing on Our Capabilities		
Disclosure Metric	**NBK Performance**	**ESG Category**
Human Capital Development Performance: External Recognition	• Awarded the Best "Bank for Diversity and Inclusion Kuwait" for NBK RISE Program at the Euromoney Awards for Excellence 2024 • Gold Winner 2024 in Excellence in Health and Well-Being – SHRM • Best High Potential Development (NBK High-Fliers Program) – Brandon Hall Group HCM Excellence Award - Talent Management Bronze 2024 • Best Employee Recognition Program (MVP Awards) – Brandon Hall Group HCM Excellence Award, Talent Management Silver 2024	Social
Human Capital Development Performance: Gender Equity	• Representation of women in workforce 43.2%, and women in managerial positions 27.5% • NBK employs 347 professionals in science, technology, engineering, and mathematics (STEM), with women representing 28.8% of this number	Social
Incidence of Major Merger & Acquisition (M&A) Activity in the Last Three Years Affects More Than 10% Of the Workforce or More Than 1,000 Employees, if any	Zero Incidents of M&A activity, that impacted >10% of workforce or >1000 employees.	Social
Controversies: **• Labor Management Controversies** **• Collective Bargaining Controversies** **• Discrimination and Workforce Diversity Controversies**	• Zero Labor management controversies • Zero Collective bargaining controversies • Zero Layoffs in the last three years, that affect more than 10% of workforce or more than 1,000 employees	Social
Support SDGs (United Nations Sustainable Development Goals)	Recognized relevant SDGs for NBK's strategic pillar of Capitalizing on our Capabilities.	Social

Investing in Our Communities		
Disclosure Metric	**NBK Performance**	**ESG Category**
Access to Finance: Products and Strategy	• NBK's ESG Strategy focuses on enhancing community well-being by fostering financial security, delivering exceptional customer service, nurturing local talent, investing in communities, and promoting balanced economic development • The Al Amil product segment provides a debit payroll card for low-wage employees, enabling ATM withdrawals via NBK's network. As of 2024, there were 110,086 active Al-Amil cards	Governance / Social
Distribution & Outreach	• NBK leverages multiple social media platforms to educate customers on topics such as data privacy, cyber security, fraud prevention, health and safety, confidentiality, regulatory disclosures, and CBK policies • In 2024, NBK issued 2,320 social media publications and 42 press releases to enhance customer awareness of banking products and services • Continued participation in the Central Bank of Kuwait's "Let's Be Aware" campaign, which aims to raise awareness of key financial and data security topics	Social
Performance	• Provided KWD 25.04 million (USD 81.27 million) in loans to SMEs in 2024, reflecting a 23.5% increase from the previous year • Achieved a nationalization rate of 78% at NBK Kuwait • Invested KWD 30 million (USD 97.37 million) in community development, a 9% year-on-year increase • Expanded the "Bankee" financial literacy program to reach 32,257 students and 7,230 teachers across 61 schools • Received Special Recognition for "Developing Women Leaders" through the NBK RISE – Global Women's Leadership Initiative at the Merit Summit & Awards 2024 in Dubai	Social
Customer Advocacy	• Actively monitors and tracks Customer Satisfaction and Net Promoter Score (NPS) • In 2024, Customer Satisfaction stood at 93% and NPS at 57% • Ongoing improvements to customer protection programs, with a strong focus on enhancing anti-fraud systems	Social
Data Privacy and Security	• Enforced Personal Data Privacy and Cyber Security Policies aligned with ISO27001 and PCI DSS standards • Conducts regular risk assessments for data and cyber threats • Employees receive annual training on privacy and data protection risks • External audits are conducted on Information Security Policies and Systems	Governance / Social
Support for SDGs (United Nations Sustainable Development Goals)	• NBK continues to align its strategic pillar "Investing in Our Communities" with relevant SDGs	Social

2
About **NBK**

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In this section, we examine NBK's mission, vision and values as the core foundations for our ESG strategy and efforts. We define NBK's profile; and product portfolio; Finally NBK's memberships, associations, and awards are reflected.

About NBK

GRI Disclosures: 2-1,2-28

Established in the heart of Kuwait City in 1952, the National Bank of Kuwait SAKP is a cornerstone of the nation's financial landscape. As the first shareholding company in Kuwait and the Gulf Cooperation Council (GCC), NBK has been a steadfast pioneer, establishing itself as the country's longest-serving local Bank.

NBK has retained its core shareholder base since its inception. Its shares have been listed on the Kuwait Stock Exchange since 1984, with a single shareholder (the Public Institution for Social Security) owning 6.17% of the share capital as of Dec. 31, 2024. NBK's market capitalization as of the end of 2024, was KWD 7.5 (USD 24.2) billion.

With over 70 years of steadfast service, NBK has evolved into Kuwait's pre-eminent financial institution, wielding its influence beyond national borders to captivate regional and global markets. Through a successful digital transformation journey, NBK has seamlessly blended tradition with innovation, earning acclaim and trust among stakeholders.

Today, the Bank operates a network of 145 branches, subsidiaries, and representative offices in 13 countries spanning 4 continents. Renowned for its seasoned and stable management, NBK pursues a clear strategy of strengthening its core business while expanding into new segments and markets.

2.1 **Purpose and Strategy -** Vision, Mission, and Values

NBK's purpose is shaped by its commitment to integrity, innovation, and excellence, which is the essence of its identity. Propelled by our mission and vision, we aim to maintain the Bank's position as the financial partner of choice by creating value for our stakeholders while avoiding compromises.

Vision

The trusted Bank of choice, building on our core values, people, and expertise.

Mission

- To deliver world class products and the highest service quality to our customers
- To attract, develop and retain the best banking talent in the region
- To support the communities in which we operate
- To adhere to our core values of passion, integrity, conservatism and knowledge

Values

- **Passion**
- **Integrity**
- **Conservatism**
- **Knowledge**

2.2 **Regional and** International Presence

Our current network comprises 145 branches, subsidiaries, and representative offices in 13 countries across 4 continents, including 7 countries in the Middle East. NBK operates in Kuwait (Headquarters), Bahrain, Saudi Arabia, UAE, Lebanon, Iraq, Egypt, the UK, France, Singapore, China, Switzerland, and the US.

NBK Regional and International Presence

NBK operates across 13 countries with a predominant focus on the MENA region.

Rating Agency	Long-term Rating	Standalone Rating	Outlook
MOODY'S RATINGS	A1	a3	Stable
S&P Global	A	a-	Stable
FitchRatings	A+	a-	Stable

ESG Ratings

SUSTAINALYTICS

Score 19.4 (Low Risk), significantly improved from 27.1

FTSE4Good

Constituent of the FTSE4Good Index Series

MSCI ESG RATINGS BBB

NBK's rating at 'BBB' per the MSCI audit

S&P Global

Scored 39/100 in S&P Global rating

CDP

"C" score for 2024 for both the Climate Change and Forests Categories

LEED

NBK Headquarters awarded the Gold LEED Certification

LSEG DATA & ANALYTICS

Listed on FTSE Arab Federation of Capital Markets Low Carbon Select Index

2.3 **Product** Portfolio

NBK caters financial products and services to the needs of its customers across its main business segments: (i) Consumer Banking, (ii) Corporate Banking, (iii) NBK Wealth, (iv) Islamic Banking (via subsidiary Boubyan Bank).

Consumer Banking	Provides individuals with a diversified range of products and services, including consumer loans, credit cards, deposits, foreign exchange, and other branch-related services.
Corporate Banking	Provides a comprehensive product and service offering to business and corporate customers, including lending, deposits, trade finance, foreign exchange, and advisory services.
NBK Wealth	Provides a full range of asset management, custody, brokerage, lending, deposits, and other customized and innovative banking services to high-net-worth individuals and institutional clients across the Group.
Islamic Banking	Represents the financial results of Boubyan Bank KSCP, the Islamic banking subsidiary of the Group.
Group Center	Includes treasury, investments, and other defined Group activities. Treasury provides a comprehensive range of treasury services and products to its clients and is also responsible for the Bank's liquidity and market risk management. Group Center includes any residual in respect of transfer pricing and inter-segment allocations.
International Banking	Provides a broad range of products and services, including lending, deposits, and trade finance, etc. to corporate and individual customers at the Group's overseas locations.

2.4 Awards, Agreements, and Partnerships

Several accolades, on a global scale, were bestowed upon NBK in 2024. The following list is a summary of those achievements.

Awards and Accolades

Global:

- **Best in Innovation -Global 2024**

Regional:

- **Best Online Product Offerings in the Middle East 2024**
- **Best in Innovation in the Middle East 2024**
- **Best Bank for ESG-Related Loans in the Middle East 2024**

Country:

- **Best Online Product Offerings in Kuwait 2024**
- **Best in Innovation in Kuwait 2024**
- **Best Bill Payment and Presentment in Kuwait 2024**
- **Best Mobile Banking App in Kuwait 2024**
- **Best in Lending in Kuwait 2024**
- **Best SME Bank in Kuwait 2024**
- **Best Foreign Exchange in Kuwait 2024**
- **Best Trade Finance in Kuwait 2024**
- **Best Bank in Kuwait 2024**
- **Best Cash Management Bank in Kuwait 2024**
- **Most Improved App for Digital Payments for Digital Payment Innovations in the New NBK Mobile Banking Application 2024**

- **Best Bank for Diversity and Inclusion in Kuwait 2024** (Euromoney)
- **Best Bank for SME in Kuwait 2024** (Euromoney)
- **Best Real Estate Bank in Kuwait** (Euromoney)
- **Best Retail Bank in Kuwait 2024** (MEED)
- **Best Innovation Programme 2024** (MEED)
- **Excellence in Sustainable Investment 2024** (MEED)
- **MENA Fund Manager of the Year 2024- NBK Wealth** (MEED)
- **Best Trade Finance Bank in Kuwait 2024** (GTR)
- **Best Bank for employee health and well-being - Gold** (SHRM)
- **Forbes recognized Mr. Isam Al-Sager, NBK's Vice Chairman and Group CEO, as Kuwait's Top Sustainability Leader and ranked him third in the Middle East**

Agreements & Partnerships

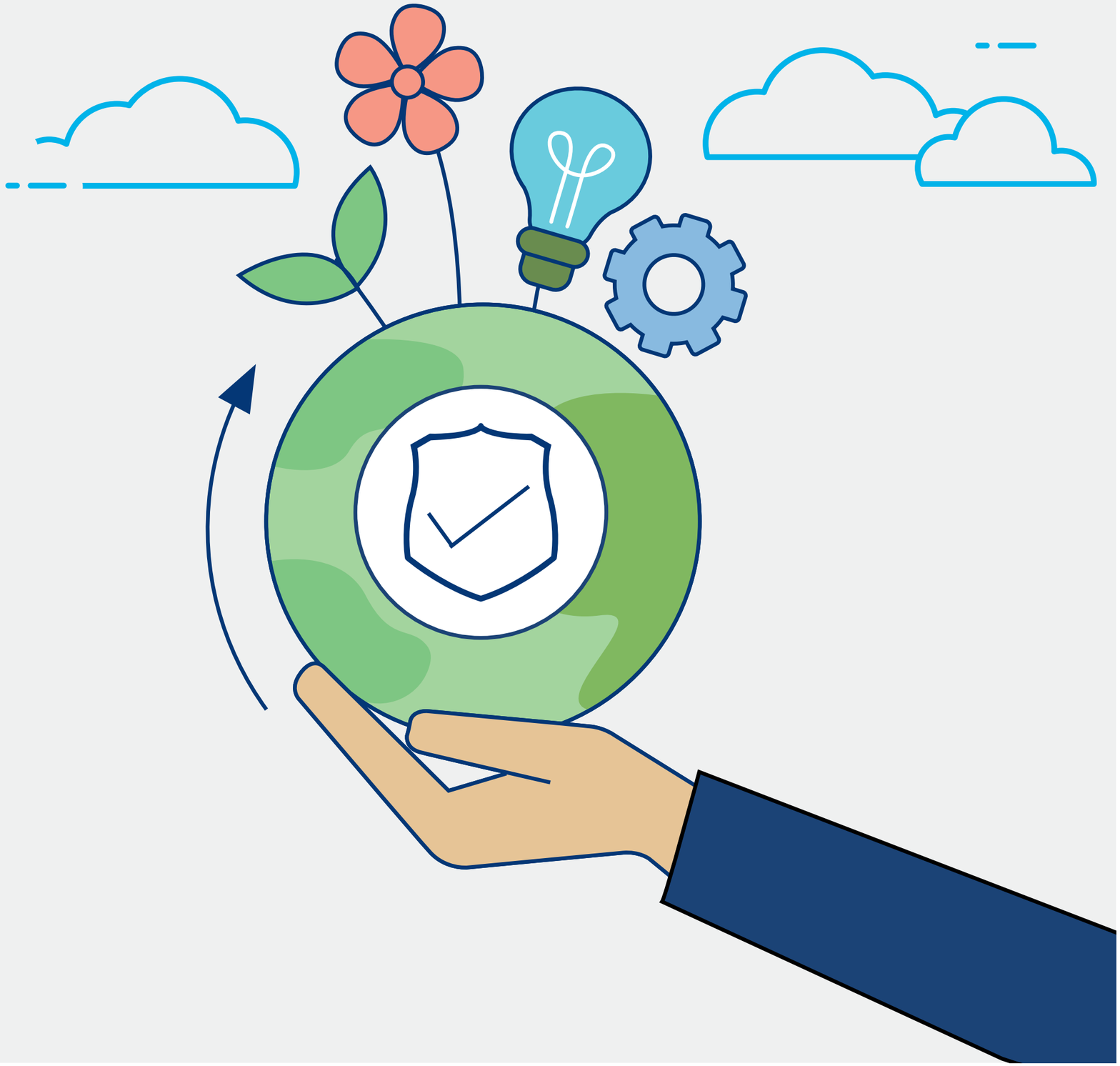
- In 2024, NBK entered into a strategic partnership with DHL, a global leader in shipping, to adopt DHL GoGreen Plus, becoming the first bank in Kuwait to join this global sustainability initiative.
- NBK participated in COP29 in Baku, Azerbaijan, to engage in discussions on supporting the transition to a low-carbon economy and global climate action.
- The Bank also took part in the 16th UNCCD Conference in Riyadh, contributing to discussions on combating desertification and land degradation.

3

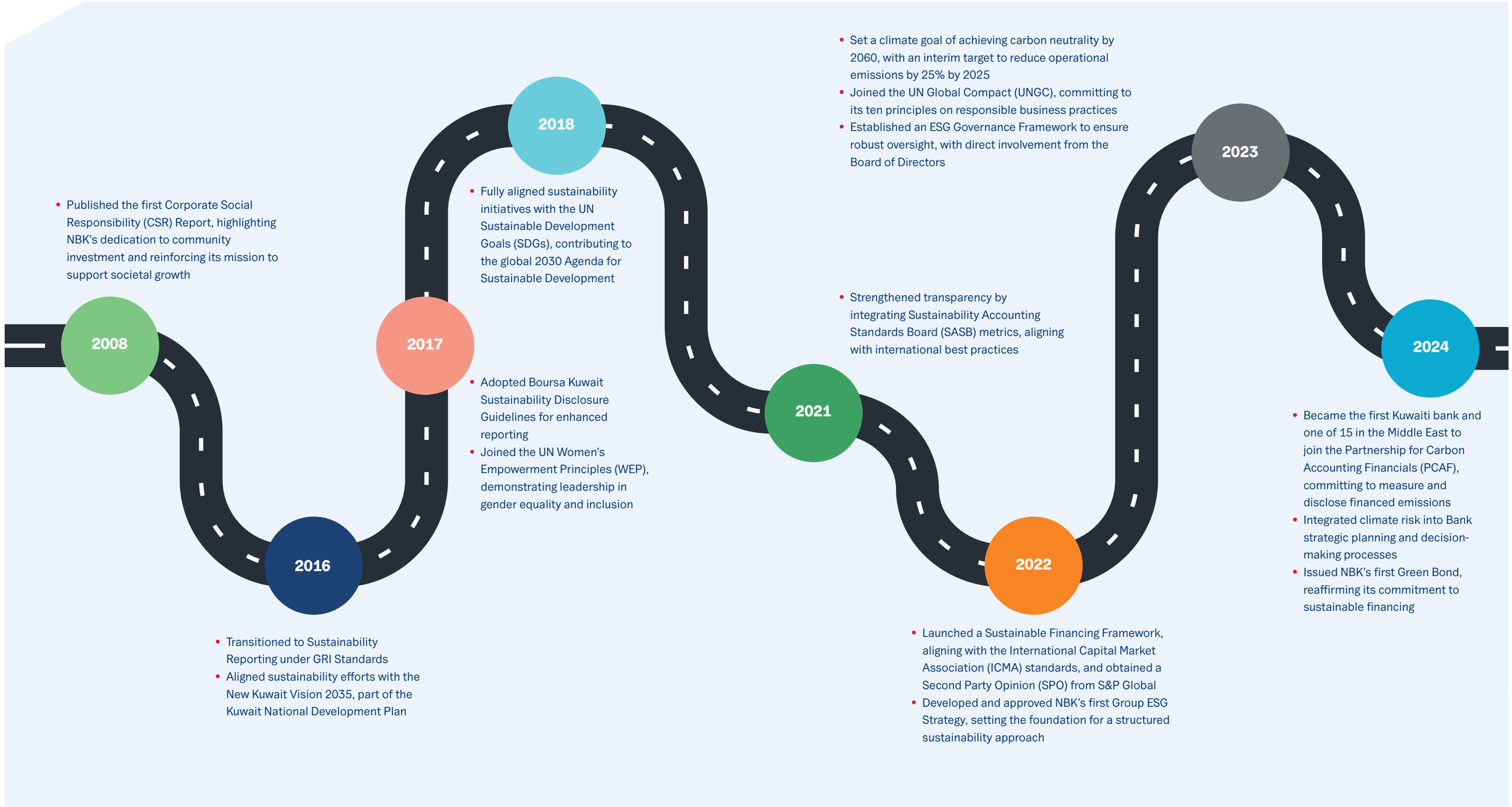
ESG at **NBK**

2-22, 2-29, 3-1, 3-2, 3-3

This section presents the progress we have made in implementing our ESG strategy. It also describes the stakeholder engagement process, illustrates the materiality assessment procedure and its results, and outlines how the relevant topics align with NBK's ESG strategy pillars.



3.1 **NBK's** ESG Journey



3.2 Our ESG **Strategy**

	Responsible Banking	Governance for Resilience	Capitalizing on Our Capabilities	Investing in Our Communities
Ambition	To support the transition to a sustainable economy and become a role model in our own transformation.	To commit to the highest standards of governance by embedding ESG across the Group.	To drive sustainable business growth achieved through organizational resilience.	To deliver a positive impact on the communities we serve.
Mid / Long-Term Targets	• Commit to becoming carbon neutral by 2060 • Set an interim target to reduce gross operational emissions by 25% by 2025 • Commit to USD 10 billion of Sustainable Assets by 2030 • Increase the percentage of renewable energy sourcing • Establish science-based targets for Scope 1, 2, & 3 emissions • Develop a scientifically aligned strategy to lower financed emissions • Embed ESG into procurement policies. • Develop sectoral transition policies for key sectors • Engage clients on climate transition plans • Develop ESG-themed consumer products	• Sign up to the UN Global Compact (UNGC) • Establish a Sustainability Committee and specific Working Groups with BOD oversight • Conduct scenario analysis on the loan portfolio • Develop portfolio and sector emission risk heat maps • Embed strong ESG governance into policies and processes • Link ESG to executives' balance scorecard • Establish ESRM framework and related policies • Prepare for alignment with ISSB S1 and S2 new standards • Implement TCFD and Equator Principles frameworks • Adopt UNEPFI Principles for Responsible Banking (PRB)	• Increase women in Senior Management to 35% by 2035 • Establish employee diversity targets • Increase number of training hours for all employees, with a greater emphasis on ESG • Establish ESG-driven performance KPIs for key business and support functions • Increase investment in digitalization to improve the responsible use of ESG data • Cultivate and retain local talent by providing career development opportunities • Establish a digital and agile work environment	• Empower communities for financial independence and security • Expand community investments and increase corporate social responsibility (CSR) spending aligned with SDGs • Develop financial inclusion and financial literacy initiatives • Increase engagement rate (%) with consumers and the public on ESG • Align CSR policy and initiatives with the Group ESG strategy and industry-leading practices • Support nationalization targets and equitable economic development in line with national development plans • Support equitable community and economic development • Incorporate ESG principles into the consumer journey, advisory, and offerings
2023 Performance	• As of Dec. 31, 2023, the Bank has around USD 3.65 billion of Sustainable Assets towards its USD 10 billion target • Installed Building Energy Management System (BEMS) in 22 local branches to optimize energy and water consumption • Launched Eco-friendly Auto Loan and Eco-friendly Housing Loan for consumers • Reviewed and updated procurement policies to embed ESG-related principles	• Finalized and approved the new Group ESG Strategy, ESG Governance Structure and Framework, assigning ESG responsibility across Executive Management • Established a management-level Sustainability Committee headed by the Vice Chairman & GCEO, with direct Board oversight • Joined the UNGC • Developed an ESG Policy • Remained a constituent in the Refinitiv AFE Low Carbon Select Index MENA • Accounted for climate change risks in the Pillar II Assessment of the ICAAP regulatory report • Institutionalized alignment with the TCFD recommendations	• Women in workforce: 44%, Women in management: 28.8% • Provided key Sustainability Champions across the Bank with Global Reporting Initiative (GRI) Standards training • Launched Sustainability Essentials Training Program • Launched well-being modules on NBK Learning Hub • Developed and published an Employee Grievance Policy for all employees • Conducted Employee Engagement Survey – "Your Voice Matters" 2023 to improve workplace inclusivity • Launched a new mobile banking experience themed "Tailored for You," enhancing digital banking services	• Invested KD 28M (USD 91M) in community projects (+22% from 2022) • Committed KD 3M (USD 9.8M) for Shuwaikh Beach Waterfront redevelopment • Launched "Bankee" financial literacy program (15,940 students, 3,445 teachers) • Introduced "She's Next" initiative with VISA for women-led small businesses • Achieved 76.7% nationalization rate by year-end • Hosted Kuwait's first Sustainability & Climate Change Media Workshop • Kuwait Dive Team sponsorship renewal - 150 tons of marine waste removed (8× increase from 2022) • Launched inclusive card designs for visually impaired users • Awarded "Best Bank for Corporate Responsibility in the Middle East 2023" (Euromoney)
2024 Performance	• As of Dec. 31, 2024, the Bank has accumulated USD 4.97 billion of sustainable assets towards its USD 10 billion target • Issued the first USD 500 million Green Bond in 2024 under the Bank's medium-term securities program, marking the first green bond by a Kuwaiti bank • Began calculating baseline scope 3 financed emissions to enhance the environmental impact assessment of the Bank's portfolio • Installed solar panels in 18 branches to optimize energy efficiency • Launched a Sustainable Procurement Strategy Framework to ensure environmentally and socially responsible sourcing across the Bank's supply chain	• Joined the Partnership for Carbon Accounting Financials (PCAF), reinforcing the Bank's commitment to quantifiable responsible banking practices and carbon neutrality by 2060 • Developed an ESG scorecard to support the Bank's ESG risk materiality assessment and integration of ESG factors in credit analysis • Conducted Climate risk stress testing of Group's non-retail portfolio. • Disclosed the first TCFD report to institutionalize the Bank's commitment to embed climate Risk Management across the Group • Submitted the progress report after joining the UN Global Compact in 2023, marking the Bank's first Communication on Progress in 2024 and dedication to transparency and responsible growth	• Women in workforce: 43.2%, women in management: 27.5% • Finalized NBK's DE&I statement to promote equal opportunities • Developed an employee onboarding program for a better new hire experience • Launched the first phase of the employee offboarding program to streamline employee exits and offboarding satisfaction surveys • Launched the first wave of the NBK Tech Academy Program • Developed impactful ESG initiatives through Weyay, Kuwait's first digital bank, to empower individuals' digital banking experience	• Invested KWD 30 million (USD 97.3 million) in community projects (+9% from 2023) • Achieved a 78% nationalization rate by year-end • Awarded the Gold Award for "Excellence in Health and Well-being 2024" from US-based Society for Human Resource Management (SHRM) at the SHRM MENA STAR Awards • Renewed sponsorship with Kuwait Dive Team to initiate coastal conservation projects that preserve Kuwait's natural marine resources • Renewed partnership with Omniya to remove and manage waste, reducing 462.5 tons of CO2 emissions • Renewed partnership with Loyac to develop programs and events that empower youth's self-development, entrepreneurship, and environmental responsibility • Growing interest in the "Bankee" financial literacy program (32,257 students, 7,230 teachers) • Refined data quality parameters within the Enterprise Data Warehouse (EDW) to ensure reliable business intelligence
Contribution to SDGs				

3.2.1 ESG Strategy Governance and Management

The ESG strategy is reviewed every three years, with our next review approaching towards the end of 2025. Unless emerging circumstances necessitate an earlier review or update, updates to the ESG strategy can be initiated by the Sustainability and Climate Change Committee, which holds the highest management-level authority. These updates may arise due to:

- Recommendations from our Sustainability sub-committees under the Sustainability and Climate Change Committee's jurisdiction
- Feedback obtained through Stakeholder engagement
- Emerging regulatory requirements

Through these mechanisms, NBK ensures that its ESG strategy remains relevant, dynamic, and effective in addressing evolving challenges and opportunities in sustainability.

The Board of Directors (BoD) holds overall responsibility for overseeing and ensuring the effective implementation of NBK Group's ESG strategy. Oversight is delegated to the Sustainability and Climate Change Committee, chaired by the Vice-Chairman and GCEO.

3.3 Stakeholder Engagement

3.3.1 NBK's Stakeholder Identification

NBK considers any individual or group affected by or capable of influencing its activities, products, or services a relevant stakeholder. Recognizing that stakeholders have diverse needs, interests, and concerns, NBK adheres to internationally recognized engagement principles to ensure effective and meaningful interaction, including the GRI Standards and AccountAbility 1000 Stakeholder Engagement Standard (AA1000SES).

This structured approach enables NBK to identify:

- **Dependency** – Those who rely on NBK's activities or on whom NBK depends on to operate
- **Responsibility** – Those to whom NBK has legal, commercial, operational, or ethical obligations
- **Urgency** – Those requiring immediate attention due to financial, social, economic, or environmental concerns
- **Influence** – Those who effect NBK's strategic or operational decision-making
- **Diverse perspectives** – Those whose viewpoints enhance understanding and create new opportunities

NBK also considers stakeholders who represent broader interests by **regulation, custom, culture, or reputation**, including future generations and the environment.

3.3.2 Stakeholder Engagement Process

To ensure **structured and effective engagement**, NBK establishes the mechanism of each interaction based on:

- The purpose and scope of engagement
- Stakeholders' preferred and efficient communication channel
- Required frequency of engagement
- Material topics of concern to stakeholders

NBK's Stakeholder Groups

Internal Stakeholders
- Employees
- Management

External Stakeholders
- Customers
- Shareholders and investors
- Regulators
- ESG rating agencies
- Suppliers
- Community partners
- Non-governmental organizations (NGOs)
- Standard-setters
- Governments and policy-makers

3.3.3 Insights-Driven Stakeholder Engagement and Materiality Assessment

In 2024, NBK collaborated with its key stakeholder Groups via a comprehensive survey to gather perspectives on how NBK is impacted by or impacts a relevant sustainability issue. This extensive engagement effectively captured stakeholder concerns, expectations, and emerging trends. The gathered insights are required for NBK to adequately disclose how well it has managed the impact of the prioritized material topics and address areas for improvement.

3.4 Materiality

3.4.1 GRI Double Materiality Reporting Approach

This year, NBK updated its materiality assessment based on the double materiality concept, in alignment with emerging global best practices and the recently introduced International Financial Reporting Standards (IFRS) S1 and S2, which emphasize financial materiality.

The Double Materiality Approach Enables the Bank to Evaluate:

a) The inside-out impact of NBK's operations on people, the environment, and the economy
b) The outside-in impact of ESG issues on NBK's financial performance and position

3.4.2 Our Materiality Determination Process

Our materiality determination process involves taking into consideration the following:

a) Determining our Organizational Context:
- Our Banking activities, including strategic and operational direction
- Business and community relationships
- Pertinent sustainability challenges related to the financial services sector
- National and regulatory priorities related to our operating jurisdictions
- Impacted stakeholder groups

b) Identifying Actual and Potential Impacts
- Actual and potential impacts on the economy, environment, and people, including impacts on human rights, across the organization's activities and business relationships (Inside-out impact)
- Actual and potential impacts of the economy, environment, and people on the Bank. (Outside-in impact)
- Emphasis on negative impacts

c) Assessing the Significance of Impacts
- Internal and External stakeholder engagement via surveys to assess severity and likelihood of impact for identified topics i.e. Severity x Likelihood
- Survey results were calibrated through Subject Matter Expert opinions

d) Prioritizing Topics for Reporting
- Defined a threshold or cut-off point to eliminate topics that were deemed immaterial based on survey results and expert opinions
- Compared results with those of industry peers to ensure alignment with best practices

Across the report, each material topic is presented through the following (where applicable):

- Explanation of the material topic
- Its effect on our ESG strategy implementation
- Actions to manage it (management approach)
- The extent of our control over the topic

We provided quantitative and qualitative descriptions and information, including comparative information for prior periods when applicable and/or possible.

3.4.3 Materiality Outcome

We conducted in-depth surveys to address key stakeholders and strengthen our understanding on the relevance, probability of occurrence and potential severity of our impacts.

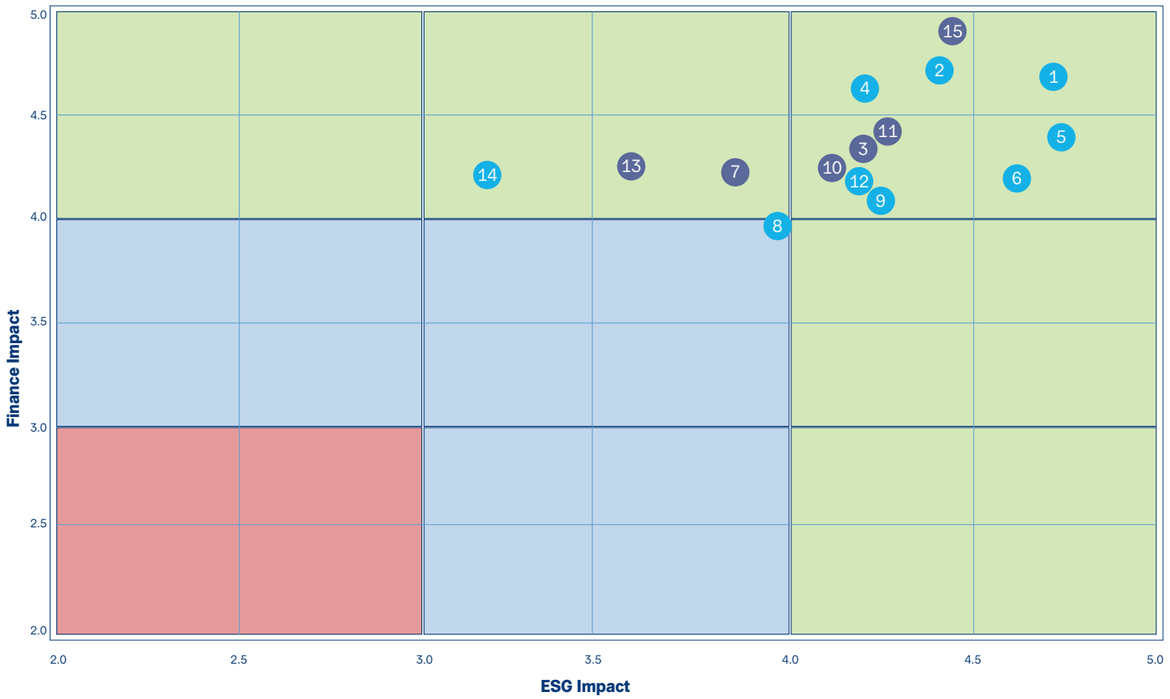
A total of 10 key stakeholder groups were approached to participate in the survey.

Based on the outputs of the materiality survey, we developed our materiality matrix by applying a scoring methodology that produces a final score and rank for each material topic. NBK's management validated the materiality matrix to ensure that the prioritization of topics was captured appropriately.

The material topics are presented as follows:

New Rank	NBK Material Topic	Brief Topic Description	Relevance to ESG Strategy Pillar	Actual or Potential Impact	NBK Management Approach	Relevant Report Section
1	**Risk Management**	Ensuring robust processes to identify, assess, and mitigate risks to protect the Bank's assets and stakeholders.	**Governance For Resilience**	• Proactive climate risk mitigation (Actual +) • Enhanced credibility, accountability, and operational efficiency (Potential +) • Inadequate risk identification and mitigation lead to financial losses, credit defaults and asset devaluation (Potential -) • Non-compliance failures, reputational damages, regulatory fines and legal repercussions (Potential -)	Implementation of a robust risk management framework to identify, assess, mitigate, monitor, manage, and report risks across all business operations.	**Risk Management**
2	**Business Continuity and Operational Resilience**	Ensuring stable operations and rapid recovery capabilities to manage disruptions effectively.	**Governance For Resilience**	• Streamlined operational efficiency, agility, and sustainability (Actual +) • Assured regulatory compliance (Actual +) • Disrupted crisis resolution, Inadequate recovery of key functions, Operational disruption, financial losses (Actual -)	Comprehensive business continuity framework with adequate scenario planning and stress testing to address critical functions during disruption and emergencies.	**Business Continuity and Operational Resilience**
3	**Sustainable Finance**	Integrating ESG criteria into financing decisions to promote sustainability.	**Responsible Banking**	• Strengthened product diversification (Actual +) • Encouraged innovation in sustainable financial products (Potential +) • Promoted responsible investment (Actual +) • Mitigated ESG-related financial risks (Actual +) • Broadened engagement with eco-conscious customers (Actual +) • Ensured compliance with sustainable finance regulations (Actual +) • Uncertain market regulations (Potential -) • Challenging integration of ESG principles in credit evaluation (Actual -) • Regulatory non-compliance and reputational risk (Potential -) • Uncertain financial performance (Potential -) • Vulnerability to transition risks (Potential -)	Alignment with solid sustainable finance framework to develop sustainable financial solutions for social and environmental projects.	**Sustainable Finance**
4	**Privacy and Data Security**	Protecting customer data through secure practices and compliance with data privacy regulations.	**Investing in Our Communities**	• Enhanced customer trust (Actual +) • Mitigated cyber threats, data breaches, and privacy violations (Actual +) • Guaranteed adherence to data security and privacy regulations (Actual +) • Cyberattacks, Data breaches and financial data theft (Potential -) • Regulatory fines (Actual -)	Adoption of cybersecurity and data protection measures to protect customer data privacy.	**Privacy and Data Security**
5	**Governance, Ethics, and Compliance**	Upholding high standards of corporate governance, ethical conduct, and regulatory compliance across all operations.	**Governance For Resilience**	• Fostered stakeholder and investor confidence (Actual +) • Boosted responsible corporate and ethical business behavior (Actual +) • Inefficient decision-making process (Potential -) • Ethical misconduct, mismanagement and unaccountability (Potential -) • Damaged reputation and loss of stakeholders' trust (Potential -) • Regulatory penalties (Actual -)	Adherence to a systematic corporate governance structure to maintain governance, compliance, integrity, transparency, and ethical business conduct.	**Governance, Ethics, and Compliance**
6	**Financial Performance**	Monitoring financial health and performance to sustain growth and meet shareholder expectations.	**Governance For Resilience**	• Supported business expansion and resilient market positioning (Actual +) • Enhanced investor trust (Actual +) • Challenging budgetary and operational (Potential -) • Vulnerability to external macroeconomic factors (Potential -)	NBK maintains strong financial performance with diversified revenue streams across multiple business segments.	**Financial Performance**
7	**Digital Transformation**	Leveraging technology to enhance efficiency, innovate services, and meet evolving customer needs.	**Capitalizing on Our Capabilities**	• Improved customer experience, and enhanced seamless digital banking services (Actual +) • Encouraged innovation and competitiveness (Actual +) • Capitalizing on emerging innovative opportunities in the banking sector (Actual +) • High cost of digital infrastructure (Actual -) • Operational risk of digital system downtimes (Potential -) • Market share losses in case of slow digital transformative development or poor digital innovation execution (Potential -)	Embracing digital transformation strategy to optimize customer experience, operational efficiency, and financial inclusion.	**Digital Transformation**

New Rank	NBK Material Topic	Brief Topic Description	Relevance to ESG Strategy Pillar	Actual or Potential Impact	NBK Management Approach	Relevant Report Section
8	**Tax Transparency and Anti-Corruption**	Committing to clear tax practices and stringent anti-corruption measures to foster trust and accountability.	**Governance For Resilience**	• Enhanced corporate integrity and ethical governance (Actual +) • Reduced financial and legal risks (Actual +) • Fostered stakeholder trust and investor confidence (Actual +) • Eroded investor and stakeholder trust (Potential -) • Increased regulatory scrutiny (Potential -) • Unstable operational flow and financial management (Actual -)	Adoption of stringent tax governance to prohibit tax evasions and zero tolerance approach to fraud, bribery, and corruption.	**Tax Transparency and Anti-Corruption**
9	**Financial Inclusion, Accessibility, and Literacy**	Enhancing financial service access, affordability, and literacy to support broader financial empowerment.	**Investing in Our Communities**	• Expanded access to underserved market segments (Actual +) • Increased banking literacy (Actual +) • Emerging challenges to balance risk management of unbanked population with accessibility (Potential -)	Customized financial services to enhance financial literacy and improve banking accessibility for underbanked populations.	**Financial Inclusion, Accessibility, and Literacy**
10	**Diversity and Inclusion**	Promoting gender diversity, women's empowerment, and anti-discrimination initiatives to foster an inclusive environment.	**Capitalizing on Our Capabilities**	• Promoted inclusive workplace (Actual +) • Accelerated innovation and productivity in an inclusive environment (Actual +) • Challenges in ensuring equal representation at high employment levels (Potential -) • Diversity claims and workplace tensions (Potential -)	Promoting inclusive workplace through training, recruitment, and well-being opportunities Establishing diverse and inclusive employment metrics to track progress.	**Diversity and Inclusion**
11	**Human Development**	Fostering a thriving and motivated workforce through talent attraction, employee development, nationalization, and well-being initiatives.	**Capitalizing on Our Capabilities**	• Improved employee satisfaction and well-being (Actual +) • Talent development (Actual +) • Accelerated productivity, innovation and business expansion (Actual +) • High turnover rates (Potential -) • Adverse health and safety incidents (Potential -) • Lack of employee engagement and development opportunities (Potential -) • Challenging adequate talent acquisition (Potential -)	Prioritizing employee career growth, financial well-being, work-life balance and satisfaction through structured development and well-being programs.	**Human Development**
12	**Climate Change and Decarbonization**	Reducing emissions and contributing to climate resilience in alignment with global climate goals.	**Responsible Banking**	• Cost savings through reduced environmental footprint (Potential +) • Enhanced resilience against climate risks (Actual +) • Uncertain market climate policies (Potential -) • Increased operational costs due to climate adaptation measures (Potential -) • Exposure to transition, financial and reputation risks in case of limited decarbonization efforts (Potential-)	Reduced carbon footprint through consistent water, waste, and energy management.	**Climate Change and Decarbonization**
13	**Responsible Procurement**	Engaging suppliers who meet ethical, social, and environmental standards.	**Responsible Banking**	• Enhanced sustainable and ethical sourcing (Actual +) • Improved cost efficiency and operational resilience (Potential +) • Decreased environmental negative impact (Actual +) • Negative environmental and social impact through supply chain (Potential -) • Supply chain disruptions and supplier misconduct (Potential -)	Developing sustainable procurement policy and implementing supplier due diligence and risk management approach to ensure suppliers' ethical and sustainable practices.	**Responsible Procurement**
14	**Customer Experience and Satisfaction**	Providing outstanding services and engagement to meet customer needs and cultivate long-term satisfaction.	**Investing in Our Communities**	• Customer loyalty and satisfaction (Actual +) • Boosted competitive advantage (Potential +) • Slow business growth and disruption operation (Potential -)	Adoption of a customer-centric approach to meet customer needs and ensure a secure and seamless banking experience.	**Customer Experience and Satisfaction**
15	**Community Development**	Supporting local communities through initiatives that drive social and economic growth.	**Investing in Our Communities**	• Solidified image as a supportive entity with positive community impact (Actual +) • Enhanced reputation (Actual +) • Secured long-term community partnerships (Potential +) • Reputational risk for lack of community contribution (Potential -) • Risk of misalignment between initiatives and community needs (Potential -) • Community resistance to initiatives (Potential -)	Actively developing initiatives and programs with specific sustainable focus areas to address different community needs. Empowered its community impact by partnering with key community patterns. Secured employee engagement in voluntary community development activities.	**Community Development**



3.4.4 Comparative Analysis of 2024 vs. 2023 Material Topics

a) Overview

The following table highlights the key shifts in material topics between 2023 and 2024:

2023	2024
1. Risk Management	1. Risk Management
2. Governance, Ethics, and Compliance	2. Business Continuity and Operational Resilience
3. Financial Performance	3. Sustainable Finance
4. Digital Transformation	4. Privacy and Data Security
5. Privacy and Data Security	5. Governance, Ethics, and Compliance
6. Employee Well-Being	6. Financial Performance
7. Talent Attraction, Management, and Development	7. Digital Transformation
8. Customer Experience and Satisfaction	8. Tax Transparency and Anti-Corruption
9. Sustainable Finance	9. Financial Inclusion, Accessibility, and Literacy
10. Diversity and Inclusion	10. Diversity and Inclusion
11. Business Continuity and Operational Resilience	11. Human Capital Development
12. Nationalization	12. Climate Change and Decarbonization
13. Financial Inclusion, Accessibility, and Literacy	13. Responsible Procurement
14. Women's Empowerment	14. Customer Experience and Satisfaction
15. Environmental Footprint from Operations	15. Community Development
16. Community Development	
17. Responsible Procurement	

b) New Topics

Two new topics were added to the 2024 materiality prioritization: **(1) tax transparency and anti-corruption**, and **(2) diversity and inclusion.**

c) Consolidated Topics

For the 2024 reporting cycle, NBK has consolidated certain material topics to enhance clarity and focus:

- Human Capital Development encompasses employee well-being, management and development, talent attraction and nationalization. This ensures that NBK prioritizes workforce development, local talent integration, and employee well-being through unified efforts
- Women's Empowerment is integrated within Diversity and Inclusion and constitutes part of community development externally, reinforcing NBK's commitment to gender equality within its workforce and in broader societal impact initiatives
- Environmental Footprint from Operations have been expanded to Climate Change and Decarbonization, reflecting the Bank's increased focus on mitigating climate risks, reducing carbon emissions, and advancing net-zero commitments

d) Shifts in Materiality Prioritization

- Sustainable finance is a top priority, as NBK leads Kuwait's green transition. As the first bank in Kuwait to issue green bonds and a PCAF signatory, the Bank continues to expand its exposure to sustainable assets, while also enhancing transparency in financed emissions
- Business continuity and operational resilience have become increasingly important due to heightened geopolitical risks, cyber threats, supply chain disruptions, and economic uncertainties. These factors have highlighted the need for robust resilience strategies to safeguard operations
- Privacy and data security have also become more material, driven by stricter data protection regulations, increased cyber risks, and growing customer concerns about digital security. The evolving regulatory landscape and rapid digitalization necessitate stronger data governance and cybersecurity frameworks
- Financial inclusion, accessibility, and literacy have gained a more prominent focus as NBK expands its efforts to bridge the financial accessibility gap and ensure that underserved communities' benefit from inclusive banking services and financial education programs
- Tax transparency and anti-corruption are now separately emphasized, reflecting regulators and stakeholders' increasing scrutiny of ethical financial practices, compliance, and corporate integrity

4

Governance For Resilience

2-4, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 2-18, 2-19, 2-20, 2-23, 2-24, 2-25, 2-26, 201-1, 201-2, 205-1, 205-2, 205-3, 206, 207-1, 207-2, 207-3, 207-4, 405-1

Resilient governance defines NBK's transparent and accountable approach to sustainable corporate governance. The Bank has strengthened the foundations of its systemic corporate governance structure and risk management framework by weaving ESG principles into its corporate culture, and managerial and strategic operations.

4.1 **Corporate** Governance

NBK governance centers around stakeholder trust and aims to protect their interests and rights through all decisions. Committed to UNGC's 10 principles, NBK maintains its leading role in responsible governance to drive Kuwait's sustainable economic development. The Bank's governance framework conforms with leading international corporate governance principles, the provisions of Kuwaiti Companies Law, the Central Bank of Kuwait's (CBK) regulations, and globally recognized ESG frameworks and standards. NBK endorses a set of standard operating procedures (SOPs) and upgraded service-level agreements (SLAs) between operational departments.

Committed to Transparency:
Explore More Insights on NBK Governance Framework in our Annual Report 2024 (p.60-62):
https://www.nbk.com/dam/jcr:374076fd-2bb14b60ad6adf7fae2d25ae/nbk-annual-report-2024-e.pdf
And Publicly Accessible Corporate Governance Section:
https://www.nbk.com/nbk-group/about-nbk-group/corporate-governance.html

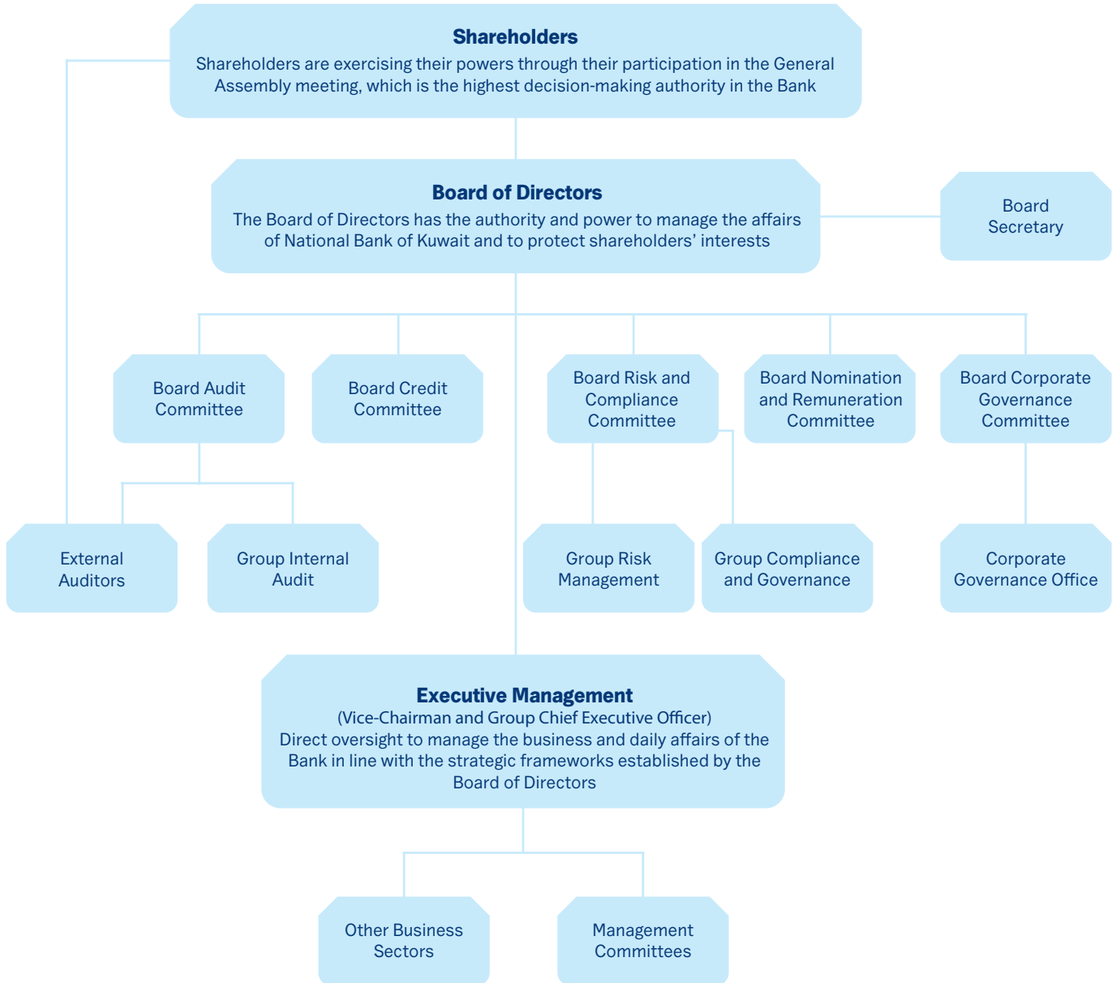
4.1.1 Fair Shareholder Treatment

As mandated by regulatory requirements and the Bank's constitutional laws, NBK ensures that all shareholders receive equal treatment. The Bank has only one major shareholder: the PIFSS, which owns 6.10% as of Dec. 31, 2024. There is no risk of dilution in NBK's traded shares, with no shareholders owning 10% or over. Any shareholder-elected director can stand for re-election at intervals greater than one year. The shares have no set percentage of voting or ownership rights (one vote for each share) and no voting cap (ceilings) or ownership ceilings. Our shareholders can easily access detailed Corporate Governance reports along with critical financial and non-financial data through NBK's Corporate Governance section on the official website.

The Board cannot unilaterally amend the company's articles of association without shareholders' approval. Under Kuwaiti Companies law, any amendments require approval through an extraordinary general meeting. Moreover, shareholders have the right to request an extraordinary general meeting. This can be initiated by the Board, shareholders representing 15% of the company's capital, or by request from the Ministry of Commerce and Industry. NBK promptly informs all shareholders about the Annual General Meeting (AGM) and other shareholder meetings. As stipulated in NBK Corporate Governance policy, details of the meeting (e.g., venue, date, time) are approved by the BoD and made publicly available. NBK also discloses the invitation to the AGM to Boursa Kuwait and the Capital Markets Authority (CMA), which includes a detailed agenda of the topics to be discussed and voted on.

4.1.2 Our Corporate Governance Framework

Our framework prescribes integral operational practices while prioritizing NBK shareholders' rights. The key players shaping this structure include the BoD, management executives, and committees, each holding precise responsibilities and duties to transparently execute and steer the Bank toward accountability to its stakeholders. The framework is adaptable to changing market dynamics, regulatory norms, and stakeholder expectations through annual review and approval processes by the BoD. The Board is ultimately responsible for ensuring that a comprehensive and transparent corporate governance framework has been implemented.



4.1.3 Board Oversight

NBK's BoD oversees the Bank's business management and core strategic policy decision-making. The table below offers details on Board member names, independence status, areas of expertise, and years of tenure.

NBK Board of Directors Names, Expertise, and Attendance Rate
For more information on the Board of Directors' biographies refer to page 50-53 of the 2024 Annual Report
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf

Board Members' Full Names	Independence Status	Industry Expertise	Non-Industry Expertise	ESG-Related Experience / Credentials	Attendance Rate	Nationality	Board Tenure
Mr. Hamad Mohamed A. Al-Bahar	Non-Executive	Investment Banking and Asset Management	Construction and Business	Yes	78%	Kuwaiti	20 Years
Mr. Isam J. A. Al-Sager	Executive	Banking and Management	Business	Yes	100%	Kuwaiti	3 Years
Mr. Yaqoub Yousef A. Al-Fulaij	Non-Executive	Banking activities, including Risk Management and Internal Controls	Business	Yes	78%	Kuwaiti	26 Years
Mr. Muthana Mohamed A. Al-Hamad	Non-Executive	Banking and Finance	Economics and Real Estate	Yes	100%	Kuwaiti	17 Years
Mr. Haitham Sulaiman H. Al-Khaled	Non-Executive	Banking, Corporate Governance and Internal Controls	Communications, Real Estate and Investments	Yes	100%	Kuwaiti	14 Years
Mr. Emad Mohammad A. Al-Bahar	Non-Executive	Banking and Finance	Insurance	Yes	100%	Kuwaiti	10 Years
Mrs. Huda Mohammad S. Al-Refaei	Non-Executive	Banking and Risk Management	Legal	Yes	89%	Kuwaiti	3 Years
Dr. Robert Maroun Eid	Independent	International Banking	Investments	Yes	100%	Lebanese	4 Years
Dr. Nasser Amin H. Saidi	Independent	Corporate Governance and Finance	Economics	Yes	100%	British	4 Years
Mr. Abdulwahab Ahmad H. Al-Bader	Independent	Finance Development	Economics and Oil sector	Yes	100%	Kuwaiti	3 Years
Mr. Farouq Ali Akbar A. Bastaki	Independent	Banking, Asset Management and Internal Audit	Investments and Real Estate	Yes	100%	Kuwaiti	3 Years

NBK Board of Director Indicators

Number of Directors — 11

- Six non-executive members
- Four independent members
- One executive member

Average Tenure (Years) — 9

Average length of tenure on the Board.

Independent Directors — 36%

Four out of eleven board members are independent with an average board tenure of 3.5 years.

Industry Experience — 100%

All Board members have extensive industry expertise.

Women on the Board — 1

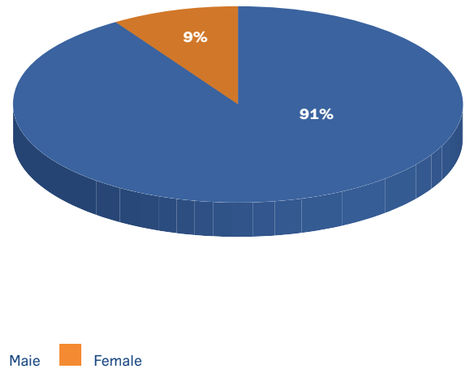
NBK elected its first female board member in 2022.

4.1.3a Board Composition and Diversity

NBK Group's BoD is composed of a total of 11 members, who are elected and appointed by the general assembly for a period of 3 years. The Board's composition prevents the excessive influence of one leader with only one executive member, six non-executive members, and four independent members.

The inclusion of four independent board members aligns with the minimum requirement set by CBK's corporate governance guidelines, which state that the number of independent board members shall not exceed one-half of the total members. The Board includes female representation of 9%.

Board Composition by Gender



4.1.3b Board Chairman

The Chairman is a non-executive member with defined roles and responsibilities as per NBK's Corporate Governance Policy and Board Charter. He is responsible for maintaining continuous communication with shareholders to solicit their views and concerns to the Board.

4.1.3c Board Responsibilities

NBK's dedication to safeguarding the best interests of stakeholders and shareholders extends to verifying the conformity of ongoing practices with its strategy and objectives. This commitment extends to the effectiveness of the BoD in terms of:

- Supervising the Executive Management's activities
- Responding to the pressing need to manage ESG-related risks and opportunities by addressing their alignment with the Bank's strategy and material risks
- Ensuring that crucial aspects are Board-approved and integrated into NBK's strategic planning and decision-making processes

Executive Management regularly reports to the Board on these matters to ensure the effectiveness of the process, and, more importantly, the implications of the reported matters on the Bank's decisions on any emerging matters.

Committed to Transparency:
Explore more details on the Board and Chairman Roles and Responsibilities that are centric to NBK Strategic Direction in our Annual Report 2024 (p.60, 64, 65):
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf
and Publicly disclosed Governance Section:
https://www.nbk.com/nbk-group/about-nbk-group/corporate-governance/stakeholders-rights.html

4.1.3d Board Sub-Committees

NBK's Corporate Governance Framework is formed of five sub-committees to enhance the Board's effectiveness in overseeing NBK's operations. These play an active role in several areas, including guiding strategy, managing risk, providing leadership and oversight toward achieving the Bank's key performance indicators (KPIs), and complying with national regulations and global standards. The following table presents an overview of the sub-committees.

Committed to Transparency:
Explore More Details about the Board Sub-Committees' Activities and Performance in our Annual Report 2024 (p.62, 65-67):
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf

NBK Board Sub-Committees

Board Sub-Committee	Responsibility	Committee Chairman	Independence Status of Representative
Audit Committee	Assists the Board in supervising the efficiency and independence of the internal and external audit operations for the Group. The committee also oversees the preparation of the periodic financial statements and other regulatory reports.	Mr. Farouq Bastaki	Independent Board Member
Risk and Compliance Committee	Assists the Board in the Group's Risk Management, Compliance and Governance functions by evaluating and monitoring the risk governance framework, risk appetite, risk strategy, and capital planning, further to its role of overseeing the adequacy of regulatory compliance and enhancing compliance culture across the Group.	Dr. Robert Eid	Independent Board Member
Nomination and Remuneration Committee	Assists the Board in the nomination and remuneration responsibilities pertaining to the BoD and Executive Management. The committee also supports the Board in reviewing and enhancing board structure and development of the caliber of the board members. It also assists the Board in setting up the Group's remuneration framework and ensures effective implementation as per the remuneration policy.	Mr. Abdulwahab Al-Bader	Independent Board Member
Corporate Governance Committee	Assists the Board in overseeing the implementation of the Group's corporate governance. The committee also monitors the implementation progress of the policies and procedures pertaining to governance.	Mr. Hamad Al-Bahar	Non-Executive
Credit Committee	Responsible for reviewing the quality and performance of the Group's credit portfolio. The Board has authorized the committee to approve credit facilities that exceed the authorization granted to senior management, as per the credit policy and the approved authority matrix of the Group in accordance with the related regulatory instruction.	Mr. Hamad Al-Bahar	Non-Executive

4.1.3e Board Meetings

Our BoD is committed to maintaining open, frequent, and transparent communication. As part of the members' routine proceedings, they meet at least six times annually, and once for each quarter. For regulatory compliance, NBK maintains the attendance record for both the full meetings of the Board and the sub-committees. The Board held nine meetings during 2024.

Committed to Transparency:
Explore Comprehensive Statistics on the Board members' Attendance for Full Meetings and Sub-committee Meetings in our Annual Report 2024 (p.63):
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf

4.1.3f Board Elections

Board members are elected for a renewable three-year term during NBK's AGM. The Board Nomination and Remuneration Committee (BNRC) is responsible for conducting candidates' reviews before its submission to the CBK for approval. Notably, the nomination committee chair is independent of management or other interests.

Both shareholders and non-shareholders can be nominated if they meet the legal requirements, supervisory authorities' instructions, and the CBK's independence requirements. To ensure a high level of objectivity and impartiality for independent Board members, membership remains capped at two terms. This restriction is deliberately designed to guarantee the independent nature of these positions, thereby contributing to NBK's balanced governance. Following the election, the Board elects the Chairman and Vice Chairman during its first meeting, before deciding on the formation of each committee. Tenure is restricted to two terms to retain transparency and neutrality. This restriction maintains balanced NBK governance and the independence of Board members.

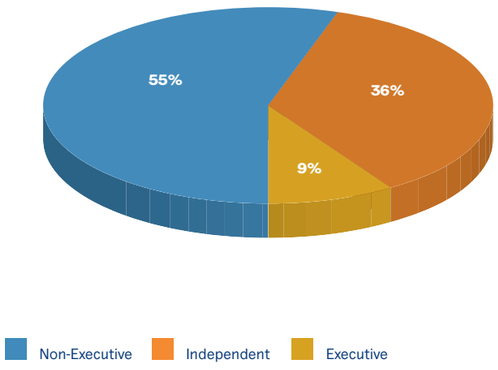
4.1.3g Board Voting for Provisions

The Board's decision-making process entails collective dialogue, democratic principles, and collaborative agreement. Resolutions are passed on the majority vote of all Board members. In case of a tie, the Chairman (or, in their absence, the Deputy Chairman), has the deciding vote, as stipulated in the Board Charter.

4.1.3h Board Independence

NBK governance practices are rigorously committed to overseeing and ensuring the independent status of its directors. Independent members are defined as Board members unaffected by any factor that may limit their objective decision-making, in line with the Bank's interests and the CBK's Corporate Governance rules and regulations. Independent Board members are required to comply with 10 mandatory conditions during their membership, as defined by the CBK, where violation of any condition may invalidate their independence.

Board Independence Status



4.1.3i Board Training and Evaluation

The overall performance of our BoD is annually evaluated by the BNRC, under whose oversight the corporate governance office conducts a thorough examination of each member's contributions, both as individuals and as part of a collective decision-making apparatus. This evaluation considers various facets, including active participation in Board meetings, displays of strategic thinking, ethical conduct, and value addition to the Board's overall functionality. The BNRC extends its evaluations to sub-committees, thereby ensuring that every aspect of our governance structure is functioning optimally. Through these evaluations, improvement areas are identified to enhance Board performance, mandate essential training for members, and update action plans to ally new market practices and regulations.

This year, the Board has benefitted from continuous training plans to enhance the collective knowledge, skills, and experience of its members. As such, NBK fosters the adaptability of its governance structure in its response to the ESG landscape by providing ESG training programs to all Board members.

4.1.3j Board Remuneration

Remuneration for the Board is determined following pertinent laws and regulations. For fair financial treatment, it is mandatory to have the final compensation plan approved by the AGM. The remuneration allocation considers the significant contributions of the Board members to driving the Bank's sustainable growth while strategically addressing the financial market's complexities.

Committed to Transparency:
Explore More Details on the Board Members' Remuneration in our Annual Report 2024 (p.69):
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf

4.1.4 Executive Management

NBK's Executive Management oversees the Bank's business execution and daily operations, aligning with the Board's strategic plan. It also works closely with NBK's Group to handle ESG risks and opportunities in the evolving low-carbon economy landscape. The Bank has introduced ESG KPIs to its Executive Management to ensure effective ESG strategy implementation and accountability. The Executive Management succession plan is annually reviewed by the BNRC and the BoD. The Group's Executive Management is diversified in terms of knowledge background and wide range of finance skills. More details about Executive Management positions, expertise, and tenure at respective management positions are presented in the table below:

Committed to Transparency:
Explore Comprehensive Description of Executive Management Role, Responsibilities and Remuneration in Our Annual Report 2024 and Corporate Governance Policy:
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6adf7fae2d25ae/nbk-annual-report-2024-e.pdf

NBK Executive Management's Names, Expertise, and Tenure at Management Position
For more information on the Executive Management's biographies refer to page 54-59 of the 2024 Annual Report
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf

Executive Management Members Full Name	Position / Title	Industry Expertise	Non-Industry Expertise	Nationality	Tenure
Mr. Isam J. Al-Sager	Vice Chairman & Group CEO	Extensive banking and management experience	N/A	Kuwaiti	4 Years
Mrs. Shaikha K. Al-Bahar	Deputy Group CEO	Extensive banking and management experience	N/A	Kuwaiti	11 Years
Mr. Salah Y. Al-Fulaij	CEO – Kuwait	Extensive banking and management experience	N/A	Kuwaiti	10 Years
Mr. Sulaiman Barrak Al-Marzouq	Deputy CEO – Kuwait	Investment and wealth management, and treasury and banking operations	N/A	Kuwaiti	8 Years
Mr. Faisal Abdulatif Al-Hamad	CEO of NBK Wealth	Investment banking and wealth management, and general management experience	Corporate Governance	Kuwaiti	4 Years
Mr. Emad Al-Ablani	General Manager Group Human Resources	Extensive experience in Human Resources	N/A	Kuwaiti	11 Years
Mr. Sujit Ronghe	Group Chief Financial Officer	Extensive experience in accounting, banking, and finance	N/A	Indian	3 Years

Executive Management Members Full Name	Position / Title	Industry Expertise	Non-Industry Expertise	Nationality	Tenure
Mr. Mohammed Al-Othman	CEO – Consumer and Digital Banking	Extensive experience in retail banking, personal banking payment services, and banking products	N/A	Kuwaiti	2 Years
Mr. Mohammed Al-Kharafi	CEO - Head of Operations and Information Technology for the Group	Extensive experience in retail banking, operations, intelligence automation, and digitalization	N/A	Kuwaiti	2 Year
Mr. Omar Bouhadiba	CEO International Banking Group	40 years' experience in corporate and investment banking	N/A	French	5 Years
Mr. Ahmed Bourisly	General Manager – Head of Domestic Corporate Banking Group	Extensive experience in all areas of credit and corporate banking management	N/A	Kuwaiti	6 Years
Mr. Pradeep Handa	General Manager – Foreign Corporate, Oil and Trade Finance Group	Extensive experience in foreign corporate banking and oil and trade finance matters	N/A	Indian	13 Years
Mr. Jad Zakhour	General Manager – Head of Treasury Group	Treasury, investment, and wealth management. Certified financial risk manager	N/A	Syrian	5 Years
Mr. Grant Lowen	Group Chief Risk Officer	Risk management professional	N/A	Australian	2 Year

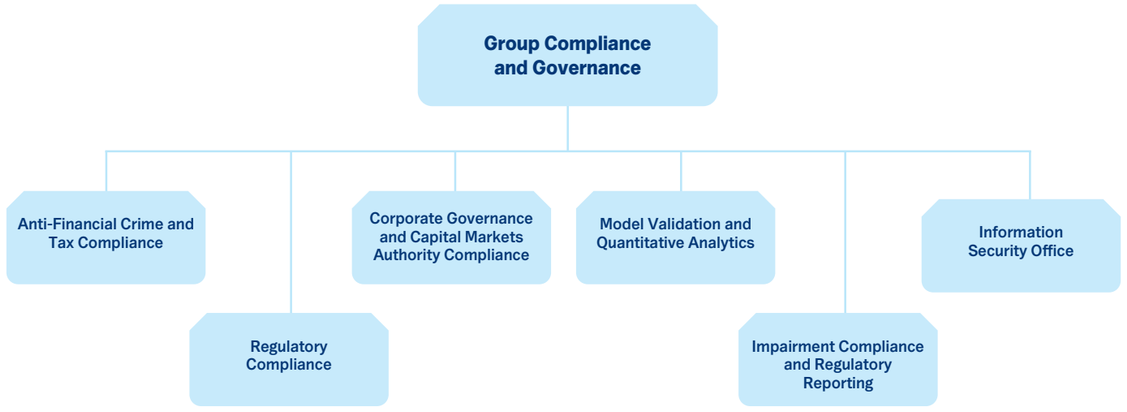
Executive Pay

Following NBK's remuneration policy, executive management compensation is linked to long and short-term performance objectives. It is determined based on achieving (financial and non-financial) KPIs, including those related to anti-corruption. It is planned to link executive pay to environmental-related KPIs within two years.

4.2 **Governance,** Ethics and Compliance

NBK's Group Compliance and Governance division, led by the Group Chief Compliance and Governance Officer, ensures strict adherence to laws and regulations across all operational jurisdictions. Reporting to the Board Risk and Compliance Committee (BRCC), the division upholds ethical standards and a zero-tolerance policy against unethical practices, thus ensuring NBK's reputation as a trusted financial institution.

NBK Compliance System is Certified by Third Parties (AML Oracle system, Side Safe Watch -EastNets)



To uphold adherence to ethical and compliance standards, the Group Compliance and Governance undertake the following responsibilities:

- Identify, assess, monitor, and report compliance risks
- Manage regulatory changes' impact on operations
- Ensure compliance with all relevant laws and regulations
- Implement and review compliance procedures
- Adhere to Anti-Financial Crime regulations, Anti Financial Crime and the Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard (CRS), and other international standards

4.2.1 Acting against Unethical Practices

All NBK employees receive an induction handbook covering ethical and legal banking practices, along with whistleblowing policies. Policies are reviewed every 1–3 years and include:

Acting Against Unethical Practices

- **Anti-Bribery & Corruption Policy**
- **Code of Conduct**
- **Whistleblowing Policy**
- **Conflict of Interest Policy**
- **Information & Cyber Security Policy**
- **Personal Data Privacy Policy**
- **Related Party Transactions Policy**
- **Procurement Policy**
- **Social Media Policy**
- **Termination & Disciplinary Actions Policy**

All policies are accessible via the MyNBK intranet, with subsidiaries following tailored regulatory guidelines.

0 reported incidents of non-compliance with regulations concerning health and safety impacts of products and services

0 reported incidents of violations involving the rights of indigenous peoples

0 reported incidents of non-compliance with laws and regulations

100% of all new suppliers were screened for social criteria and assessed against social impacts using CFT Clearance, KYS, and ESG code of conduct

0 suppliers were found to have substantial actual or potential social harm, like involvement in child or forced labor etc. (100% of NBK's suppliers have formally certified their compliance with the code)

100% of NBK's suppliers have formally certified their compliance with the ESG code

4.2.1a Code of Conduct

NBK's Code of Conduct guides ethical and professional behavior for employees and suppliers. It is reviewed annually and updated as needed. Non-compliance may lead to disciplinary action, regulatory penalties, or legal consequences.

Committed to Transparency:
Explore NBK Supplier Code of Conduct:
https://www.nbk.com/dam/jcr:a6c40d40-c01f-4fd8-9b76-99ecf62f07ae/nbk-supplier-code-of-conduct-2024-e.pdf

4.2.1b Conflict of Interest and Related Party Transactions
The Board is responsible for establishing policies regarding the management of conflicts of interest and the implementation of relevant standards and mechanisms to avoid and mitigate such conflicts. Board members and executive officers are required to disclose all interests and relationships that could, or may be seen to, affect the performance of their duties. Any such interests shall be recorded in the conflict-of-interest register. NBK ensures transparency and fairness in transactions through:

- Annual declarations and procedural models to address conflicts of interest
- Regular reviews of related party transactions by Group Internal Audit
- Compliance with CBK regulations, ensuring loans to board members are fully collateralized

Committed to Transparency:
More Details on the Conflict of Interests of Related Parties are Disclosed in the Annual Report 2024 (p.72):
https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf

4.2.1c Whistleblowing Policy
NBK fosters a safe, open environment for employees to report concerns confidentially to the Chairman. The policy includes independent protected resolution systems for allegations of retaliation and a defined escalation process for reporting incidents. It is reviewed annually, reinforced through training, and prohibits retaliation against whistleblowers.

Committed to Transparency:
Explore NBK Whistleblowing Policy Statement
https://www.nbk.com/dam/jcr:262cf082-1664-4b1e-9fda-d9a6650b2770/Whistleblowing_Policy_2024.pdf

"NBK Reported **Zero** Whistleblowing Cases and Incidents in 2024"

4.2.1d Fair Advertising Policy
NBK adheres to responsible advertising practices aligned with ICC Code guidelines to ensure transparency and consumer protection in marketing communications.

4.2.2 Internal and External Audit

Group Internal Audit (GIA) reporting to the Board Audit Committee (BAC), conducts independent audits in line with global internal audit standards. Once in 5 years, an independent external firm is engaged for quality assurance of GIA's conformance with Institute of Internal Auditors (IIA) standards. Furthermore, Internal Control Review (ICR) as mandated by the Central Bank of Kuwait is performed by an independent firm and the firm is rotated every 3 years. The Group's external auditors for the statutory audits are appointed at the Annual General Meeting and the engagement partner is rotated every 7 years.

Audit and Non-Audit Fees 2024	KD million	USD million
Audit	1.9	6.0
Non-Audit Services	1.0	3.3
Total	**2.9**	**9.3**

4.3 **Risk** Management

4.3.1 Building a Robust Risk Management Framework

Potential risks are systematically evaluated, measured, and mitigated through the Group Risk Management (GRM) policy and procedures. The policy is reviewed annually to ensure regulatory compliance and address emerging risks. Residual operational, physical, and liability risks are transferred to an insurance carrier through appropriate insurance policies to mitigate the Group's financial losses.

NBK risk standards align with the global banking risk management standards of the Basel Committee on Banking Supervision (BCBS), as adopted by the CBK. The Bank has embedded an IT-based risk management framework into its operations, certified by ISO 27001, and ISO 31000.

The BoD is responsible for setting risk appetite (RA) and ensuring effective assessment and management of financial and non-financial risks. The BRCC and the Group's Executive Committee (EC) communicate risk-taking authority and policies from the Board to the appropriate business units. The Chairman ensures that the independent BRCC evaluates risks and rewards appropriately in a balanced manner. On a functional level, NBK's Risk Management, Compliance, and Internal Audit divisions effectively work in tandem with the Executive Management in managing NBK's overall risk profile, thereby minimizing the risk of financial losses, regulatory sanctions, and reputational damage.

Key Elements of NBK Board-Approved Risk Strategy

- Maintaining stability of operations during stress situations
- Ensuring effective compliance with regulatory capital requirements and internal straetgic capital targets
- Developing NBK's IT infrastructure to advance professionalism and human resource experience
- Conducting effective risk planning through an appropriate risk appetite, and stress tests to assess the impact on the Group's capital requirements, capital base and liquidity position

4.3.1a Risk Appetite
The Group's risk appetite (RA) defines the maximum limit of risk that can be accepted in relevant business categories for an optimal risk-return balance. Any risk that breaches this stated appetite is prioritized to be mitigated. GRM sets up RAs and risk-adjusted profitability measures within BRCC and Board guidelines to control the quality of the portfolio and evaluate decisions relating to new and existing deals, impairments and provisioning, and credit, market, operational, IT and other emerging risks (i.e., ESG and climate risks) for the Group.

The RA is annually reviewed and presented by the BRCC to the Board for final approval to verify the consistency of risk statements with the Group's strategy and business environment. Through the RA statements, the BoD can inform management of the acceptable risk level for the Group, determined in a manner that meets the objectives of shareholders, depositors, and regulators.

NBK Includes Market Risks in Liquidity Monitoring

In 2024, the Market Risk team enhanced liquidity monitoring knowledge across locations, guided liquidity reporting, and integrated new business impacts into the risk management framework to maintain liquidity ratios above the risk appetite.

4.3.1b Risk Assessment
NBK's GRM embeds proactive risk anticipation strategies into business workflows, including product development and procurement. These strategies include:

- **Suppliers' Risk Assessment:** The Purchasing team conducts thorough risk assessments of new suppliers to ensure financial stability and ethical reliability. Through NBK's outsourcing policy, risk assessments for existing suppliers are integrated into each business unit's operations. A segmented risk analysis ensures the identification and mitigation of all risks.
- **Risk Assessment of Newly Developed Products and Services**: The Business Group (BG) ensures the resilience of new products and services by consulting GRM on risk impacts across credit, market, liquidity, operational, and IT areas. From a technology perspective, the BG ensures new service systems have disaster recovery (DR) capabilities and safeguards against emerging IT security risks. The Senior Product Approval Committee (SPAC) and Treasury Product Approval Committee (TPAC) oversee the review of treasury product offerings.

4.3.1c Risk Mitigation

NBK's risk management framework ensures that all risks are either quantified within authorized limits or monitored through risk indicators and policy guidelines. Any discrepancies are escalated to Executive Management for action. A three-line defense model is applied to address anomalies:

1. Business units own and manage risks through policies
2. Consumer Credit Risk Management develops and maintains the risk framework
3. Group Internal Audit independently tests, verifies, and evaluates controls for effective credit risk management and policy implementation

4.3.1d Risk Monitoring and Management Oversight

The Bank conducts an ICAAP, which includes rigorous "scenario testing" at regular intervals. Among the dynamically managed risks, key categories include:

- Credit Risk in Commercial and Consumer Lending
- Market and Liquidity Risk
- IT Risk
- Operational Risk (based on comprehensive policies, procedures, and controls that reflect CBK and CBK-adopted Basel III guidelines)

4.3.1e Risk Reporting

The Bank submits regular risk management reports to the CBK, adhering to various reporting timelines. It reports the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) monthly, the Capital Adequacy Report (CAR), and Provisions and IFRS 9 quarterly, and the ICAAP and Stress Testing (ST) semi-annually. Additionally, NBK provides reports on credit, investment exposure, and concentration risks, as well as ad hoc risk assessments as required by the regulator.

4.4 NBK Modular **ESG Governance**

4.4.1 ESG Committees

The implementation of the Group's ESG strategy is supported by a modular ESG governance framework to meet ESG-related targets and KPIs with the highest degree of transparency and precision. The framework entails a Group-wide involvement of diversified experts and decision-makers, cascade the management of material ESG across different management levels.

The BoD is entrusted with the responsibility of effectively implementing the Group's ESG direction and strategy. In October 2024, the BoD reviewed the implementation progress of the ESG strategy. The S&CC, chaired by the Vice Chairman and GCEO, stands as the highest management-level authority for decisions on ESG-related matters across the Group, with direct oversight from the BoD. The S&CC Committee oversees five sub-committees, each comprised of members of the Executive Management who are delegated specific ESG roles within their respective areas. Presented below are our sustainability committees/sub-committees and their high-level purpose:

NBK Sustainability Committees Purposes and Responsibilities

Committees	Responsibility
Sustainability & Climate Change (S&CC) Committee	The highest management-level authority for decisions on ESG-related matters across the Group. It is responsible for overseeing and governing the implementation of the Group ESG strategy.
Sustainable & Transition Finance Committee	To supervise, manage, and approve the development of sustainable finance value propositions and realization of business opportunities presented by the transition to a low carbon economy.
Sustainable Financing Working Group	To govern the selection and monitoring of eligible projects in line with NBK Sustainable Financing Framework.
ESG Governance & Risk Committee	To supervise and manage the integration of ESG matters into the Group's overall governance and risk activities. It also governs the alignment of the Group's activities with international sustainability frameworks.
Social & Community Development Committee	To oversee and govern the Group's efforts in expanding community engagement and investment, in line with the Group's ESG strategy and UN SDGs.
Responsible Operations & Corporate Culture Committee	To supervise, manage, and approve the integration of ESG matters into the Group's own operations, including environmental footprint (operational), supply chain, human capital management, and digital transformation elements, in line with the Group's ESG strategy.

Operating under the authority of the S&CC Committee, these sub-committees convene at least once every quarter to ensure optimum performance and goal alignment.

4.4.2 Sustainability Department

NBK's sustainability department is responsible for:

- Acting as the custodian of the ESG strategy, and coordinating its implementation, projects, and initiatives
- Providing specialized guidance on material topics identified through stakeholder engagement

4.4.3 ESG Risk Management

Promoting the ESG risk culture is integral to developing an ESG governance structure for the Bank's future resilience. NBK is actively engaged in addressing ESG and climate-related risks and opportunities through:

1. Development of formal systems to identify, assess, and manage ESG and climate-related risks. NBK integrates ESG risks and opportunities within the Group's risk policy and governance framework, and portfolio analysis to understand the varying impacts of climate change risks on clients.
2. Alignment with Central Bank of Kuwait's circular no. (2/BS, IBS/500/2022) by including Pillar 2 Climate risk capital charges in its ICAAP process, and ESG & climate-related financial risks key elements in its risk policies and standards.
3. Empowerment of surfacing and mitigating ESG/ climate risks and opportunities by the Board Risk and Compliance Committee (BRCC) and ESG Governance & Risk Committee.

Empowering ESG Risk Expertise:

- Three risk officers were offered ESG and climate risk training (3 training hours per each)
- Relationship managers and senior executives from IBG Business Group, Local Corporate and Foreign Corporate were provided with training on identifying ESG risks

Committed to Transparency:
Explore More Insights on NBK Group ESG Policy Here:
https://www.nbk.com/dam/jcr:cd8e88c7-91a6-41ee-9161-ab6fe439845c/nbk-group-esg-policy-2024-e.pdf

4.2.3a Acknowledging Key ESG Risks

Acknowledging Key Climate Risks & Opportunities

Climate Risks: NBK defines climate change risks, in terms of exposures related to the physical impacts of climate disruption, as "physical risks." For instance, the real estate collaterals or assets in flood-prone zones in the UK and USA have been identified by NBK as challenging risks in its operations. Other risks related to the transition to a lower-carbon economy are identified as "transition risks," determined by various government policies. The Bank recognizes the financial impact of climate-related transition risks that are driven by:

- **Government Policy and Legal Factors:** Enhanced emissions reporting obligations, new mandates, and regulations drive NBK financing practices away from climate-sensitive sectors and imply higher compliance costs
- **Market and Technology Factors:** Changing customer behavior and investors' expectations stimulate abrupt and unexpected market shifts
- **Reputation Factors:** Stakeholder perceptions of the Group's contribution to low carbon transition can cause a reduction in capital and business availability

For Further Details on NBK Climate-Related Financial Disclosures, Access NBK's First TCFD Report: (https://www.nbk.com/dam/jcr:6774094e-f863-4a94-9517-fcc4c655a0b2/NBK%20TCFD%20Report-2024.pdf).

Climate Opportunities: NBK capitalizes on operational opportunities raised by climate change through its efforts to accelerate the organization's resource efficiency, cost savings, and deployment of low-emission energy sources.

4.4.3b ESG Risk Assessment & Due Diligence

The Bank conducts risk assessments of how ESG risks could potentially impact its assets, including non-retail loans and collaterals. The assessment identifies high-impact, carbon-intensive sectors in the Bank's portfolio, guiding the development of a tailored ESG scorecard.

A Bespoke ESG Scorecard

- The ESG scorecard is projected to support the ongoing ESG risk materiality assessment and integration of ESG factors in credit analysis using a formalized approach for collecting clients' ESG data and tracking disclosure practices in Kuwait
- Its design is intended to help business groups identify opportunities to support NBK clients in shaping their sustainable transition activities and investments

ESG Credit Re-Underwriting Process

- The credit re-underwriting process incorporates information from external providers, such as rating agency reports, publicly available research related to geographies or sectors under consideration, and the Bank's direct due diligence at the obligor and transaction levels
- Based on our International Banking Group (IBG) locations' regulatory requirements, credit teams conduct ESG and climate risk due diligence for certain sectoral proposals at the Group level to mitigate financing high-risk clients or sectors and oversee ESG risk management of lending activities
- ESG due diligence accompanies the credit memorandum for review by credit committees and approving authorities. Integrating climate factors into Pillar 2 capital calculations serves to strengthen NBK's financial resilience

4.4.3c ESG Risk Mitigation

The Group takes the necessary risk-mitigation steps to reduce ESG risk exposure and facilitate stable transitions. This includes offering sustainable products and services to draw a positive financial landscape and social impact. The Bank's decisions consider the optimal strategies to mitigate possible impact(s) for:

- **Social-related Factors:** To maintain diversity, uphold human rights, and fully adhere to applicable local laws and regulations
- **Governance-related Factors**: To adhere to applicable laws and regulations related to organization governance. The established Group ESG governance structure, authority matrix, and segregations and independent roles serve to mitigate the risk of non-compliance with the local regulatory requirements and applicable best practices
- **Environmental-related Factors:** These are posed by the Bank's diverse set of stakeholders based in the Middle East, a region whose economies are driven primarily by fossil fuels. NBK assesses and manages trade-offs regarding strategic and operational decisions to balance the challenges posed by environmental risk against its financing activities. The Bank conducts an audit process and/or corrective action plan, where applicable, and seeks the intervention of third-party guarantees, collaterals, insurance, secondary market risk sell-down, etc. The Group's physical assets are covered under Property All Risk insurance policies. These cover financial losses stemming from re-constructing damaged and lost assets due to floods, storms, hurricanes, earthquakes, fires, etc. Climate change-related policy actions continue to evolve
- **ESG Risk Reporting and Monitoring:** This year, NBK further promoted its process to update its stakeholders on its ESG risk performance through periodic monitoring and reporting. The Bank has institutionalized its alignment with the recommendations of the TCFD by annually disclosing its pursuit to embed net zero and climate risk management across the Group

4.4.3d Partnership for Carbon Accounting Financials (PCAF)

- As the first financial institution in Kuwait and 1 of only 15 in Middle East, NBK has participated in the sectoral-led PCAF initiative so as to advance its ESG risk management
- Participation facilitates the process of determining and measuring GHGs emissions associated with NBK lending activities
- This enables the categorization of project finance transactions with the simultaneous integration of environmental and social risk management into lending processes
- This step highlights NBK's transparent and accountable stance on providing its stakeholders with reliable and comparable industry-level metrics to track and evaluate the Bank's to-date progress against the prescribed strategic goals
- The initiative optimizes the Bank's accordance with its goal of achieving carbon neutrality by 2060

In line with regulatory requirements and market practices in developed markets, standalone subsidiaries and branches conduct climate-related risk analysis.

NBK Singapore Developed ESRM

- NBKS has developed an Environmental Risk Management Framework in alignment with regulatory guidelines issued by Monetary Authority of Singapore (MAS) on the "effective governance, robust risk management, and meaningful disclosure of environmentally-related risks"

NBK France Adress ESG Risks in Line With European Banking Guidelines

- NBKF is in the process of embedding climate-related and environmental risks in its business strategy and governance, and risk management framework to align with the EBA's guidelines on climate and environmental risks
- NBKF approved the inclusion of climate-related and environmental risks in its Risk Appetite Statement
- As per ECB guidelines, NBKF considers climate-related and environmental risks in its credit-granting process, in particular for its residential and commercial real estate activities

NBKE Egypt Developed ESRM

- NBK-Egypt has taken significant steps to embed responsible practices within its operations by instituting an Environmental and Social Management System (ESMS) since 2023. This system is designed to effectively identify, minimize, and oversee environmental and social risks associated with its business activities, particularly in corporate transactions. The ESMS implementation is based on policies outlined in NBK-Egypt's Environmental and Social Policy, streamlined within the Credit Risk Policy

On Going ESG Risk Management Efforts:

- The Climate Risk Materiality Framework is being developed at the Group level, along with the rollout of ESG and Climate Risk Scoring
- NBK is in the process of developing a Bank-wide Environmental & Social Risk Management (ESRM) Framework
- The ESG Risk Management function is being established to assess ESG risks in financing activities
- The Environmental Credit Policy is under consideration
- ESG Risk Management Policies, Procedures, and Statements are under development
- The Bank is setting aspirational Risk Appetite Statements (RAS) for Climate Risk over the next five years
- Vertical specialists in ESG, Climate Risk, and other Risk Management functions are being developed
- In line with Kuwaiti Government plans, the Bank will develop a global-level transition plan tailored to market requirements. This includes automation adoption, enhanced ST, scenario analysis, and integrating ESG and climate-related factors into its GRM framework to address long-term sustainability risks

In Essence

- NBK alignment with global standards and regulatory guidelines highlights the Bank's leadership in preserving its durability to ongoing industry-level ESG transition
- The Bank emphasizes its sustainability practices by reacting to climate change and factoring it in the Bank's strategic decision-making process and risk analysis

Case Study: COP29 – Key Takeaways for Banks

Hosted by The Republic of Azerbaijan, COP29 emerged under the theme "Solidarity for Climate Action," reinforcing the urgent need for global cooperation in addressing the climate crisis through shared responsibility and inclusive economic transformation. As the third consecutive COP held in a resource-rich region, the summit highlighted the critical role of emerging economies in shaping climate policy while balancing energy security and transition imperatives. The conference achieved a historic milestone with the establishment of The New Collective Quantified Goal (NCQG) on climate finance, setting a framework to support developing nations and underscoring the obligation of high-income countries to lead global mitigation efforts. Building on the foundations laid by the UAE's COP28 and Egypt's COP27, this decisive action marked a growing consensus on climate equity and the necessity of scaled-up financial mechanisms.

A defining moment for international climate cooperation, COP29 brought together nearly 200 countries to accelerate the progress towards Paris Agreement Targets, culminating in a reinforced commitment to triple renewable energy capacity and double energy efficiency improvements by 2030. The summit's outcomes emphasized the non-negotiable 1.5°C warming limit, demanding immediate, collective action to decarbonize energy systems while maintaining economic stability.
While short of the anticipated target, the unprecedented climate finance mobilization exceeding USD 300 billion at COP29 established new benchmarks for public-private climate investment partnerships. Financial institutions emerged as pivotal actors in this transformative era, with their role expanding beyond capital provision to include transition facilitation, innovation and ESG ecosystem development. The summit's resolutions created an enabling environment for banking sector leadership through:
- Pioneering blended financial structures to de-risk and scale frontier climate technologies.
- Institutionalizing transition finance frameworks to align corporate decarbonization with national NDCs.

NBK recognizes its dual responsibility in managing climate-related financial risks while enabling regional decarbonization:

- Published the Bank's first TCFD report
- Issued first USD 500 million Green bond
- Aligned with PCAF to disclose the Bank's financed emissions

These efforts position NBK at the vanguard of international sustainable finance. The Bank's COP29 engagement underscores the financial sector's indispensable role in operationalizing climate commitments through pragmatic, market-based solutions that balance environmental imperatives with economic realities.

4.5 **Business Continuity** and Operational Resilience

The BoD serves as the overall sponsor of the Bank's Business Continuity Management (BCM) program. The BCM Committee oversees the Bank's business continuity framework and ensures the recovery of its critical functions in the event of a major crisis.

Each business unit is responsible for developing and maintaining its own BCM documentation, including the Business Impact Analysis, Business Continuity Plan, and Call Tree. These are reviewed and updated at least annually to reflect changes in processes, systems, structures, and resource requirements.
The BCM Committee ensures that Business Continuity Plans remain up to date and aligned with the Bank's strategy. Since 2023, the Bank has transitioned from multiple document formats to an integrated risk management system, enabling the digital management of contingency plans across multiple locations.

4.6 **Scenario Planning, Stress Testing** & Capital Adequacy Planning

In line with regulatory and international requirements, NBK conducts stress tests at least twice a year at the Group level and at least once at the subsidiary level. Scenarios are adjusted as needed to account for emerging risks that could affect the Group's financial performance. The stress testing outcomes serve as key inputs, alongside the capital forecasting process, to ensure that a sufficient capital buffer is above minimum levels. Aligning with the CBK's requirements for Group-wide and stand-alone capital adequacy, NBK frequently monitors its capital adequacy ratios and applies a proprietary capital-planning methodology to determine the required level of capital.

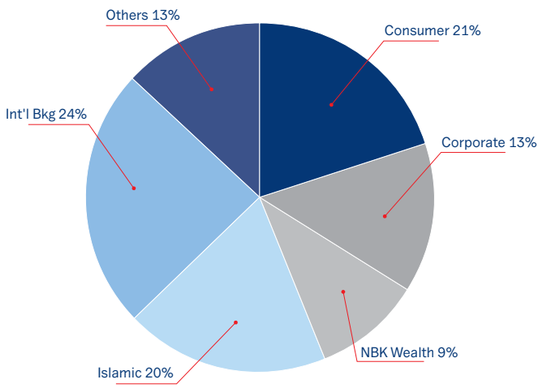
4.7 **Financial** Performance

In 2024, the Group achieved a strong financial performance, with net profits of KWD 600.1 million (USD 1.9 billion), reflecting a 7% year-on-year growth. Net operating income rose by 7.2% to KWD 1.3 billion (USD 4.1 billion) , driven by an 8.3% increase in net interest income (KWD 980.1 million) (USD 3.2 billion) due to loan and investment growth and higher interest rates. Non-interest income remained strong at KWD 271.1 million (USD 880.1 million), contributing 22% of net operating income.

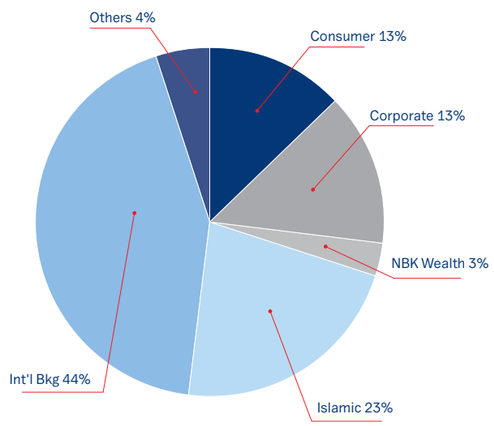
Key business segments offered the following contributions: international banking (24%), consumer banking (21%), corporate banking (13%), NBK Wealth (9%), and Islamic banking (20%). Operating expenses increased by 9.7% to KWD 468 million (USD 1.5 billion) due to business expansion and digital investments, with a cost-to-income ratio of 37.4%. Operating surplus grew by 5.8% to KWD 783.2 million (USD 2.5 billion). Credit provisions and impairment losses declined from KWD 103.1 million (USD 334.5 million) in 2023 to KWD 86.5 million (USD 280.6 million) in 2024, reflecting a conservative credit risk approach.

Committed to Transparency:
Explore Comprehensive Insights into our Financial and Business Performance in our 2024 Annual Report (p.119, 125): https://www.nbk.com/dam/jcr:374076fd-2bb1-4b60-ad6a-df7fae2d25ae/nbk-annual-report-2024-e.pdf

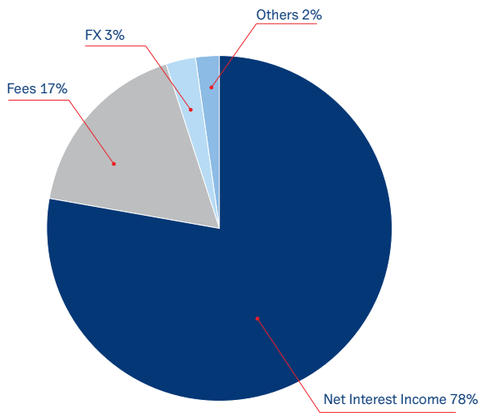
2024 Op. Income by Business Line (%)



2024 Total Assets by Business Line (%)



2024 Op. Income by Type (%)



Key Ratios (%)	2024	2023	2022
Return on Average Assets	**1.55**	1.53	1.48
Return on Average Equity	**15.1**	15.0	14.3
Net Interest Margin	**2.66**	2.59	2.30
Non-interest Income as % of Total Income	**21.7**	22.4	25.1
Cost to Income	**37.4**	36.6	38.2
NPL Ratio	**1.34**	1.38	1.42
Loan Loss Coverage Ratio	**263**	271	267
Common Equity Tier 1 Capital Adequacy Ratio	**13.2**	13.0	12.9
Tier 1 Ratio	**15.1**	15.0	15.0
Capital Adequacy Ratio	**17.3**	17.3	17.4

4.8 **Tax Transparency** and Anti-Corruption

Tax Accountability
NBK's operational framework is guided by stringent tax governance, that implies diligent compliance with national laws across all regions of operation and the prohibition of any tax evasion. Transfer pricing principles adhere to national tax laws and align with Organization for Economic Co-Operation and Development (OECD) guidelines. The Bank refrains from offering tax advice to third parties and customers.

The Bank maintains ongoing discussions with the Board on tax-related matters across its operating jurisdictions. Key locations include:

1. The US
2. France
3. Egypt
4. NBKI: Pillar III and Tax strategy disclosures available in the following link: https://www.nbk.com/london/disclosures.html
5. NBK Group submits Country-by-Country Reports (CbCRs) through NBKI to His Majesty's Revenue and Customs (HMRC), which provides revenue, taxation and substance related jurisdictional information for all constituent entities of the Group.

Two subsidiaries of the Group, NBK Egypt and NBKI, operate in high-tax jurisdictions and regularly deliberate on tax matters with their respective Boards. Indeed, NBKI has signed HMRC's code and maintains appropriate policies and frameworks. Major tax matters are reviewed by the BAC, which also approves policy changes related to taxation and recommends them to the Board. NBK Egypt operates in relatively high tax jurisdictions and has specific tax-related interactions with the BoD. A dedicated tax consultant reviews the Bank's income tax return, advises on tax treatment, and keeps management informed of new tax laws and regulatory review outcomes.

Combatting Financing of Terrorism (CFT), Corruption, Fraud, and Money Laundering
NBK maintains a strict stance on money laundering, fraud, corruption, and terrorism financing, adopting a zero-tolerance approach to bribery and corruption. The Bank has a clearly defined Anti-Financial Crime statement and an independent AML/CFT unit. The former, covering fraud, bribery, and corruption, reports directly to the BRCC.

Anti-Bribery and Corruption

- NBK's Anti-Bribery and Corruption Policy establishes controls , conflict management, and accountability rules to mitigate bribery risks, including guidelines on charitable contributions and sponsorships
- The Vendor and Outsourcing Policy ensures due diligence in new business partners
- NBK subsidiaries adhere to these regulations and maintain their own policies to uphold compliance and ethical standards

Anti-Fraud

- All management team members are required to identify and report any intentional deception of personal gain within their jurisdiction. The Anti-Fraud Policy applies to all NBK affiliates, regardless of the role or relationship, ensuring impartial investigations when necessary

Anti-Money Laundering & Counter Financing of Terrorism

- NBK manages money laundering risks and prevents the unlawful use of its operations in compliance with CBK's Law (106) of 2013 through circulars, publications, and workshops
- Overseas locations comply with local and FATF regulation, supported by AML officers, and adhere to the Group AML/CTF Policy
- NBK aligns with global anti-money laundering and counter-terrorist financing guidelines

Confirmed Incidents of Corruption, Fraud, Money Laundering and Bribery	2024
Number of Confirmed Incidents of Corruption	0
Number of Confirmed Incidents of Fraud	0
Number of Confirmed Incidents of Bribery	0
Number of Confirmed Incidents of Money-Laundering	0

100% of employees and business partners have acknowledged the organization's anti-corruption policies and procedures

0 monetary losses incurred as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, and malpractice

4.9 **Establishing Stronger** Investor Relationships

As ESG factors become increasingly important in investment decisions, NBK remains committed to maintaining strong, transparent investor relations through open communication. Stakeholders receive regular updates on the ESG strategy, financial performance, key issues, opportunities, challenges, achievements, initiatives, and future commitments.

To cater to the expanding community of ESG-focused investors, we've developed a dedicated ESG Profile link. It provides a comprehensive view of our sustainability-related commitments, initiatives, and activities. It also shows our performance and progress against our sustainability goals: https://www.nbk.com/nbk-group/investor-relations/esg-profile.html.

5

Responsible Banking

2-4, 2-6, 2-25, 203-1, 204-1, 301-1, 302-1, 302-2, 302-3, 302-4. 303-1, 303-2, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1, 408-1, 409-1, 414-1.

This section presents the Bank's strategic focus to lead the banking industry's sustainable transformation, thereby supporting Kuwait's economic, social, and environmental development. Responsible banking highlights NBK progress on its transition through offering diversified lending solutions and reducing the environmental footprint of its operations.

5.1 **Sustainable** Finance

NBK aims to manage its impact on society and the environment as to contribute to Kuwait's equitable and carbon-neutral transition. The Bank perceives emerging ESG risks as an opportunity to provide sustainable finance propositions and attract new businesses and clients. At NBK, customers are increasingly engaged and supplied with a wide array of responsible solutions to support their sustainability transition plans.

5.1.1 The Foundations of NBK Sustainable Finance

NBK Definition of Sustainable Finance: NBK defines sustainable finance as the integration of environmental and social factors in the Bank's various activities, including financing, investing, and funding. Our commitment is implemented through:

- Designated sustainable financing instruments to support our clients' ESG goals across different business streams
- Investing in sustainable financing instruments to facilitate green, social, and sustainable issuances
- Investing in the Bank's physical assets with significant environmental or social impact

Sustainable Finance Classification Model: To support a consistent and transparent approach to tracking our sustainable finance activities, we have developed a sustainable finance classification model. This model serves as a guiding framework to identify, assess, and categorize financial assets that contribute to environmental and social objectives, in alignment with international principles and market standards.

Sustainable finance activities are classified into:

1. Dedicated Purpose Business Activities:
- Use of Proceeds: where the use of proceeds is dedicated towards specific environmental and/or social benefits

2. General Corporate Purpose Business Activities:
- Sustainability-linked transactions: tying contractual terms to achieving performance-based sustainability targets
- Pure play: where 90% or more of the recipient entity's revenues are aligned with environmental and/or social activities

This classification model allows NBK to keep track of its sustainable finance activities towards both (1) its commitment of USD 10 billion Sustainable Assets by 2030, and (2) portfolio of eligible assets which must meet the Use of Proceeds criteria defined by NBK's Sustainable Financing Framework in the case of sustainable debt security issuances.

Sustainable Finance Framework: Published in 2022, NBK's Sustainable Financing Framework serves as one of the cornerstones of the Bank's commitment to advancing. It provides a structured approach for mobilizing capital toward projects that generate positive environmental and social outcomes. The framework is aligned with LMA 2021 Green Loan and Social Loan Principles as well as the Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) published in June 2021 by the International Capital Market Association (ICMA).

On The Governance Front, NBK upholds strict ESG governance processes to maintain accountability, transparency and consistency of the Bank's sustainable lending practices. ESG metrics are included in wholesale/corporate credit evaluation and assessment to account for aspects like corporate governance, human rights, and environmental protection.

Sustainable Finance Capacity Building: our Domestic Corporate Banking Group (DCBG) and Foreign Corporate, Oil & Trade Finance Group significantly advanced sustainable finance integration by enhancing staff expertise in ESG principles through targeted training programs and promotion of internal collaboration and awareness.

Our Progress to Sustainable Finance: As part of our commitment to sustainable finance, we monitor and assess progress across three key categories of sustainable assets:

Asset Type	Description
Sustainable Loans	Loans that incentivize or support the borrower's achievement of environmental and/or social objectives. It also includes sustainability-linked facilities tied to specific and predefined sustainability targets.
Fixed Assets	Long-term PPE owned by NBK that generates environmental and/or social impact. It should be externally verified by prominent schemes or rating systems, such as green buildings.
Sustainable Investments	Green, social, or sustainable bond purchases that are held on the balance sheet.

In 2024, the Bank managed to improve its lending approach by establishing a new lending theme that complies with ESG principles. NBK introduced a new indicator to identify the flagged ESG products and define the ESG portfolio size.

Committed to Transparency:
Explore Our Sustainable Financing Framework Here:
https://www.nbk.com/dam/jcr:507f03bd-0473-4670-a131-fdbd0f0b404e/NBK-Sustainable-Financing-Framework.pdf

"We continue to make strong progress in sustainable finance, having booked approximately **USD 4.97 billion in Sustainable Assets** as of Dec. 31, 2024, achieving 49.7% of our **USD 10 billion target for 2030**."

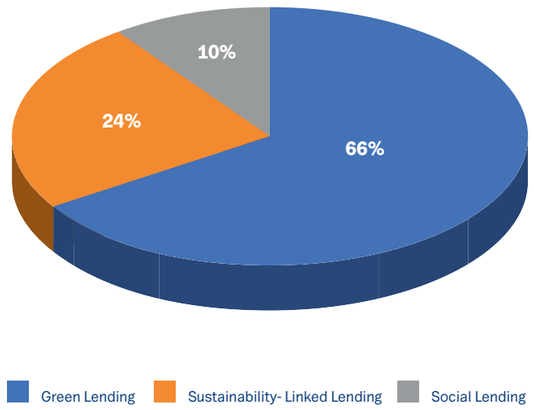
Asset Type	2023 Approx. Value (USD Billion)	2024 Approx. Value (USD Billion)	YoY Growth
Sustainable Loans	2.00	2.52	26%
Fixed Assets (Green Building)	0.55	0.55	0%
Sustainable Investments	1.67*	1.90	14%
Total Sustainable Assets	**4.22**	**4.97**	**18%**

***Note that the outstanding sustainable investments value has been restated from USD 1.1 billion (previously reported in 2023) to USD 1.67 billion, mainly due to data reconciliation and enhanced data reporting internally.**

5.1.2 NBK Sustainable Loans

Sustainable lending represents a primary channel through which we support the transition to a low-carbon economy. In 2024, USD 2.52 billion sustainable loans were extended to a broad range of clients with environmental and/or social needs at the Group level (see the figure below for an overview). NBK continues its focus on green lending, with 66% of sustainable loans directed at green projects. Green loans are followed by 24% sustainability-linked loans and 10% social loans. This year, NBK significantly expanded sustainability-linked facilities to clients for the achievement of predefined sustainability targets as measured through KPIs and assessed against Sustainability Performance Targets (SPTs). The progress reflects NBK's growing focus on more flexible and performance-based lending with a measurable impact.

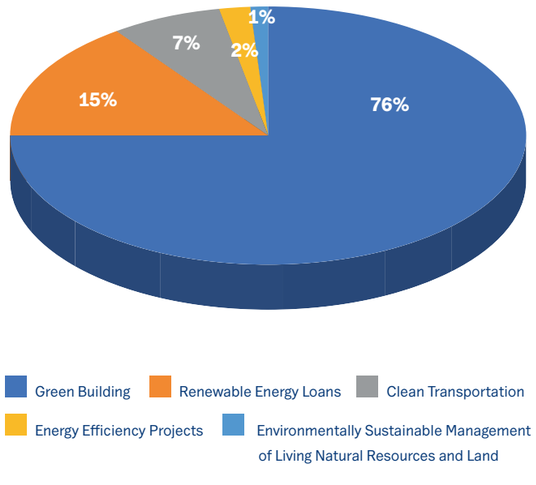
% Green, Social, and Sustainable Loans as at Dec. 31, 2024



Green and Social Project Categories

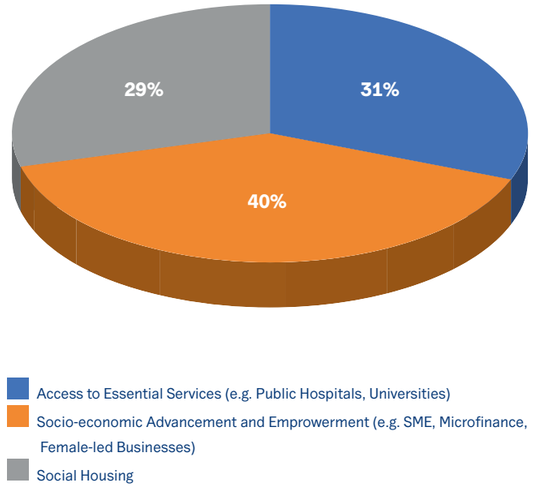
Green and social loans are allocated to multiple scopes of projects across various categories based on pre-defined environmental or social objectives and common industry classifications, as illustrated in the graphs below. Green lending centers on financing environmentally friendly buildings and renewable energy projects, contributing to Vision 2035's outline for a sustainable living environment and quality infrastructure. NBK upholds its social responsibility by largely channeling its social finance toward socio-economic empowerment, followed by social housing and improved accessibility to basic social services.

% of Green Projects Categories as at Dec. 31, 2024



Relevant SDGs:

% Social Projects Categories as at Dec. 31, 2024



Relevant SDGs:

A Snapshot of Funded Sustainable Projects in Kuwait

A Health Services Company

Positive Impact: Social

- The company is a grade 1 contractor by CAPT with wide scope of activities, that is not limited to Civil, Infrastructure and Power Projects, Design, Engineering, Procurement, Installation, Commissioning, Operation and Maintenance of Power Stations, and Pumping
- NBK extends a loan of KD 63,500,000 for financing the Center's Design, Construction, Equipment, Furniture, and Operational Maintenance

A Landscape and Agricultural Company

Positive Impact: Environmental

- The company's main business activity is to construct, equip and maintain gardens and agriculture landscapes through designing sites and planting irrigation systems
- An original loan of KD 11,700,000 was provided for restoring vegetation in one of the company's projects related to the rehabilitation of the Kuwaiti environment

An Agricultural Company

Positive Impact: Environmental

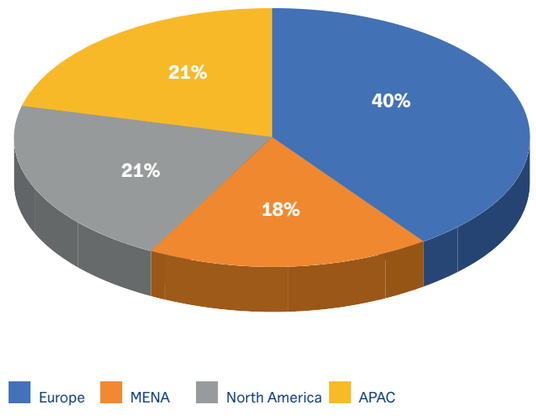
- The company owns a farm for propagation, seeding, and floriculture servicing consumers, Governmental projects, and private companies
- NBK approved to its finance working capital (agriculture materials and supplies, agriculture fertilizer and composed soils, water pipe, seeds, and Plants) by KD 250,000

Sustainable Lending at NBK Subsidiaries

NBK international branches and subsidiaries are intensively involved in sustainable financing to cope with evolving market dynamics, macroeconomic conditions, and regulations. 40% of NBK sustainable loans are centered in Europe, followed by 21% in North America, 21% in the Asia-Pacific (APAC), and 18% in the Middle East and North Africa (MENA) region.

Committed to Transparency: Explore More Details on
- Eco-Friendly Electric Vehicle Loan: http://nbk.com/
- Eco-Friendly Housing Loan: http://nbk.com/

% Geograhic Distribution of Sustainable Loans as at Dec. 31, 2024



Examples of 2024 Achievements for NBK IBG (Including, not limited to, the following locations):

NBK France (NBKF)

In 2024, NBK France extended ESG related facilities including dedicated purpose lending towards Commercial Real Estate and Renewable Energy, as well as Sustainability-linked transactions with large European corporates Those involving real estate came with externally verified certifications from leading green building rating schemes.

NBK UK (NBKI)

In 2024, NBK UK recorded substantial progress in sustainable lending with facilities extended to clients involved in energy efficiency, renewable energy, and green building.

NBK Singapore (NBKS)

NBK Singapore proactively and specifically targeted sustainable financing transactions to enhance its green asset ratio. This led to an increase in total committed sustainable financing loan transactions in 2024. NBK Singapore diversified its sustainable financing portfolio to include a mix of renewables sustainable-linked and social loan facilities. As of Dec 2024, sustainability-linked facilities accounted for a significant portion of its portfolio.

NBK Egypt (NBKE)

NBK Egypt aligned with NBK Group ESG Strategy, the Central Bank of Egypt's guiding principles on sustainability and sustainable finance issued in 2022, and Egypt's Vision 2023 for sustainable development. In 2024, NBK Egypt financed social and environmental projects targeting health, education, water and waste management, and industrial energy efficiency.

NBK Sustainable Products for Retail Customers

NBK retains its sustainable product offering of eco-friendly electric vehicles (EVs) and housing loans in partnership with prominent car dealers and sustainable product suppliers in Kuwait. Eco-friendly loans are instrumental in diversifying the sustainable lending portfolio, as well as for delivering innovative and environmentally efficient financing solutions at lower interest rates than current commercial schemes.

Eco-friendly Electric Vehicles (EV) Loans

- NBK satisfies the growing demand for greener transportation options by financing its customers' eco-conscious alternatives of electric vehicles (EV)
- The eco-friendly auto loan provides customers with a reduced interest rate and special deals with selected merchants, such as Mercedes, Volvo and Polestar

Eco-friendly Housing Loans

- NBK empowers individuals and communities to adopt environmentally responsible living standards by offering its customer housing loans
- The sustainable housing loans prioritize eco-conscious living, incentivize sustainable housing initiatives, and promote energy-efficient construction, low-impact materials and design principles

5.1.3 Issuance of First Green Bond in Kuwait

This year, NBK recorded a milestone in its responsible banking journey by issuing its first green bond in the Kuwaiti market. The inaugural success is a testament to the Bank's leadership in impact-driven lending and the broadening of its growth avenues through diversified sustainable funding solutions and improved liquidity. In line with NBK's Sustainable Finance framework:

- The Bank issued its debut 6NC5 green bond, raising USD 500 million to support the financing of eligible green assets. The proceeds raised from issued funds will be exclusively allocated to eligible green assets targeting climate mitigation initiatives

Committed to Transparency:
Explore More Details in our First Green Bond Allocation and Impact Report:
https://www.nbk.com/dam/jcr:0c178f5f-223a-407f-8656-a14be484f8e2/green-bond-report-2025.pdf

- The new issuance has attracted high, global demand from a diverse investor base, including asset managers, banks, and institutional investors across MENA, North America, Europe, and Asia. Strong investor demand provided the Bank with a significant advantage in pricing the bonds. At the time of issuance, the bonds featured a spread of 95 bps over US Treasuries, leading to a 5.522% reoffer yield
- The total order book for the issuance peaked at USD 1.5 billion and was oversubscribed three times, thereby underscoring the market's trust in NBK's creditworthiness and its dedication to climate action
- NBK published its first Green Bond Allocation & Impact Report during Q2 of 2025

The Landmark Achievement Marks One of The Largest Green Bond Offerings from a Conventional Financial Institution in the MENA Region in 2024

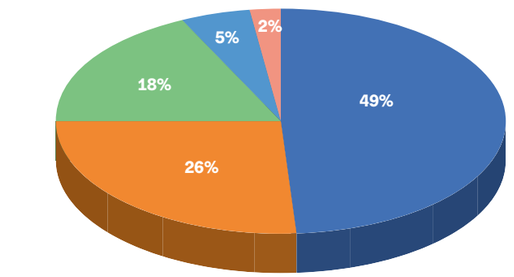
Moving Ahead with the Green Bond Issuance:

- The inaugural Green Bond Allocation & Impact Report, released in May 2025, showcases the tangible environmental impacts of investor contributions
- NBK intends to sustain long-term partnerships with investors who share its sustainable future vision through transparent disclosing of proceeds allocation to eligible green projects

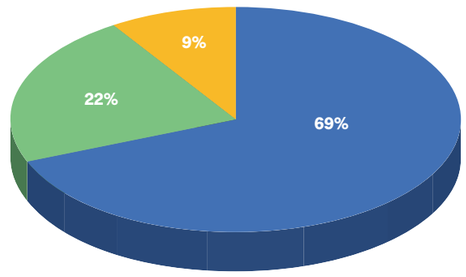
Key Green Bond Issuance Highlights

- USD 500 million Face Value
- 5.5% Coupon Rate
- +95 basis points over US Treasuries
- 1st Green Issuance Out of Kuwait
- 3x Oversubscribed

Geographic Distribution (%) of Investors



Bond Coverage (%) by Investor Type



Next Steps in Responsible Banking:

- Establish a baseline of our portfolio emissions using the PCAF methodology
- Develop sectoral transition policies for key sectors
- Establish ESG-driven performance KPIs for key business and support functions
- Deliver Group-wide ESG and sustainable finance capacity building and training

Global Coordinators on the Issuance

Citigroup, JPMorgan, HSBC and Standard Chartered

Joint Lead Managers of The Issuance

Citigroup, JPMorgan, HSBC, Standard Chartered, Goldman Sachs International, First Abu Dhabi Bank, Emirates NBD, and National Bank of Kuwait

5.2 Climate Change and Decarbonization

As part of our responsible banking strategy, we monitor and manage GHG emissions of Scope 1, 2, and 3 along with electricity consumption, water usage, and waste management. By tracking key environmental factors and implementing targeted initiatives, we have enhanced resource efficiency and driven sustainable progress.

NBK received certification from Sultan Records Management Co. W.L.L. in recognition of its 2024 sustainability efforts, which included:

- Recycling 95.1 tons of paper
- Preserving 1,617 trees
- Conserving 665,707 gallons of water
- Reducing 285 cubic yards of landfill space
- Saving 389,914 kWh of energy
- Absorbing 2,3775 pounds of CO_2
- Conserving 30,432 liters of oil

5.2.1 GHG Emissions

GHG Calculation Methodology and Standards:
Various internationally recognized methodologies and standards offer different approaches to calculating carbon footprints. NBK's carbon footprint analysis is based on the following methodologies and standards:

- The Greenhouse Gas Protocol Guidelines: Corporate Accounting and Reporting Standard
- ISO 14064-1:2018: Specification with organization-level guidance for quantifying and reporting GHG emissions and removals
- Intergovernmental Panel on Climate Change (IPCC): Guidelines for Greenhouse Gas Inventories (with 2019 Refinements)
- DEFRA Database: Providing standardized emissions factors for calculating GHG emissions

Scope of The Inventory
NBK employs the operational control approach to account for its facilities and staff-related emissions covering premises across Kuwait, including NBK's headquarters, branches, and data centers. This ensured that all significant emission sources under our operational control were accounted for throughout 2024, Jan. 1 to Dec. 31.

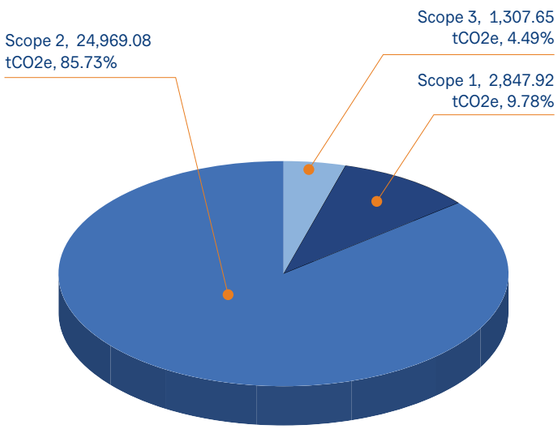
GHG emissions data is collected and validated as part of our yearly sustainability reporting exercise. Data on resource consumption is provided by NBK's Engineering department and is consolidated and verified by NBK's Sustainability Unit, prior to publishing.
We are currently in the process of developing a GHG inventory management ensure conformance with the ISO 14064-1 Standard. The GHG inventory management plan will allow us to document and archive relevant inventory records including information management activities, identify and address errors and omissions, and provide routine and consistent checks to ensure accuracy and completeness of the inventory.

Organizational Boundaries
NBK applies the operational control approach to define its organizational boundaries, marking a transition from the financial control approach used in the previous year. By maintaining operational control, NBK ensures full oversight of the emission sources under our management, allowing for more accurate reporting and effective implementation of reduction initiatives across all NBK operations.

Operational Boundaries
The operational boundaries included in this report cover Scope 1, 2, and 3 as detailed below:

- **Scope 1 Emissions:**
  - Stationary Emissions: Emissions from diesel generators within NBK premises
  - Mobile Emissions: Emissions from rented cars under NBK's operational control
  - Fugitive Emissions: Emissions from fertilizer use in NBK landscapes and refrigerant leaks from air conditioning systems
- **Scope 2 Emissions:**
  - Purchased Electricity: Emissions from purchased electricity covering all NBK premises. Invoices from the Ministry of Electricity, Water, and Renewable Energy (MEWRE) were employed to track and report electricity consumption for the reporting year. In cases where invoices were missing for certain locations, we estimated consumption by calculating the Energy Use Intensity (EUI in annual kWh/m2) for branches with available data. To estimate the energy consumption of the remaining branches, the average EUI of 359.68 kWh/m² was then applied to the total floor area. To account for statistical uncertainty, we are 95% confident that the average EUI derived to extrapolate unavailable electricity consumption data, is between [317.90, 401.47] kWh/m².
- **Scope 3 Emissions:**
  - Category 5 (Waste Generated in Operations): Emissions from operational waste, including paper, plastic, and organic waste
  - Category 6 (Business Travel): Emissions from business travel as part of our efforts to manage indirect GHG emissions

GHG Results and Analysis
In 2024, NBK's GHG inventory reported a total of 29,124.65 metric tons of CO2e emissions from its operations. The majority of these emissions—85.73% (24,969.08 tCO2e)—were attributed to Scope 2, primarily from purchased electricity. Scope 1 emissions (including stationary and mobile combustion, and fugitive emissions) accounted for 9.78% (2,847.92 tCO2e) of the total footprint. Additionally, Scope 3 emissions, covering such categories as waste generated in operations and business travel, contributed to 4.49% (1,307.65 tCO2e).

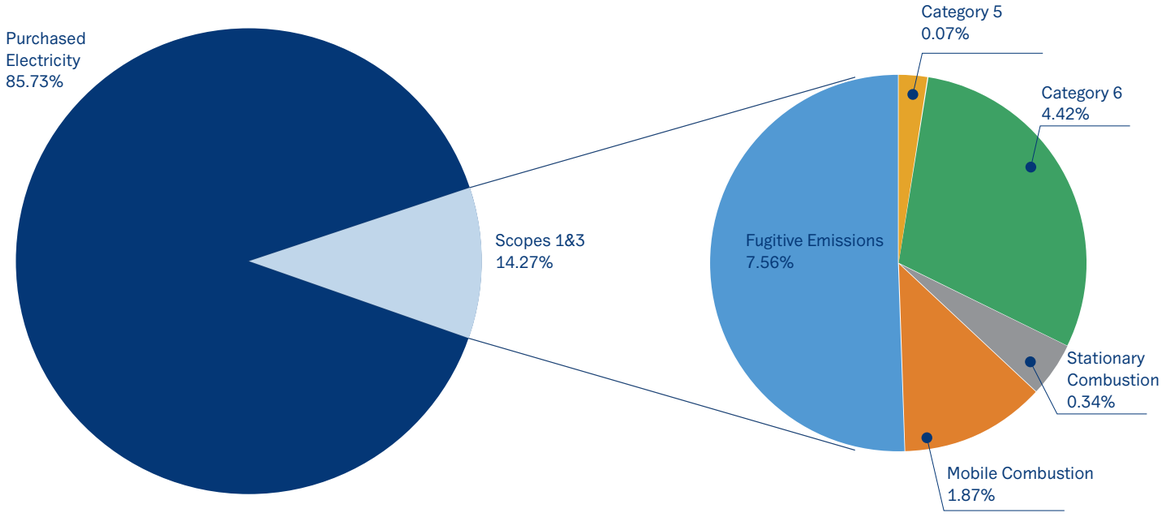


Scope	GHG Emissions (mtCO2e)	% of Total Emissions	Emission Source	GHG Emissions (mtCO2e)
Scope 1	2,847.92	9.78%	Stationary Combustion	100.47
			Mobile Combustion	545.06
			Fugitive Emissions	2,202.39
Scope 2	24,969.08	85.73%	Purchased Electricity	24,969.08
Scope 3	1,307.65	4.49%	Category 5 - Waste generated in operations	20.44
			Category 6 - Business Travel	1,287.21
Total	**29,124.65**			

Internal Benchmarking
NBK's internal benchmarking assesses GHG emissions trends by comparing 2024 data with previous years. The table below summarizes emissions for 2021 (baseline year), 2022, 2023, and 2024, including year-over-year (YoY) and baseline percentage changes.

In 2024, total GHG emissions decreased by 16.38% YoY and 25.10% from the 2021 baseline. Scope 2 emissions declined by 19.64% from 2023 and 35.18% from the baseline, primarily due to energy efficiency measures and a transition to lower-carbon energy sources.

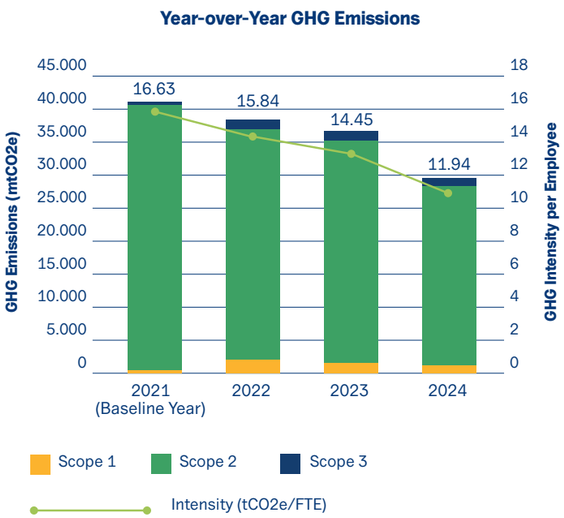
Operational emissions (Scopes 1 & 2) fell by 17.23% YoY and 28.30% from the 2021 baseline, reflecting the impact of NBK's decarbonization efforts and sustainability initiatives.



NBK has implemented a range of direct actions aimed at reducing GHG emissions, including energy efficiency upgrades, operational optimization, and digital transformation initiatives. While these actions are described and their collective impact is reflected through year-on-year emissions trend analysis, the specific GHG emission reductions attributable to each individual action have not been separately quantified at this stage. This is due to current limitations in data granularity and methodological complexity in isolating the impact of the overlapping initiatives.

Table 1: GHG Emissions from Scope 1, 2 & 3 Comparison

GHG Emissions (mtCO2e)	2021	2022	2023	2024	Change	% Change (YoY)	% Change From Baseline, 2021
Scope 1	276.00	2,510.81	2,537.11	2,847.92	Increase	12.25%	931.85%
Scope 2	38,522.00	34,005.00	31,072.16	24,969.08	Decrease	-19.64%	-35.18%
Scope 3	87.00	646.07	1,219.45	1,307.65	Increase	7.23%	1403.05%
Total GHG Emissions	**38,885.00**	**37,161.88**	**34,828.72**	**29,124.65**	**Decrease**	**-16.38%**	**-25.10%**
Intensity (tCO2e/FTE)	**16.63**	**15.84**	**14.45**	**11.94**	**Decrease**	**-17.41%**	**-28.23%**
Operational Emissions (Scope 1 & 2)	**38,798.00**	**36,515.81**	**33,609.27**	**27,817.00**	**Decrease**	**-17.23%**	**-28.30%**



"NBK has successfully surpassed its interim **target of a 25%** reduction in operational emissions in Kuwait by 2025, achieving a **28.3% decrease** compared to the **2021 baseline**."

Inclusion of Financed Emissions in Scope 3 Calculation

NBK aligns its carbon neutrality target by expanding its Scope 3 carbon emissions accounting to include financed emissions to better understand the environmental impact of its portfolio. Guided by the responsible banking objectives of NBK's Group ESG strategy, PCAF reinforces our commitment to quantifiable and realistic responsible banking practices. Adopting the PCAF methodology will support and harmonize the integration of the Group's ESG and NBK's business strategies, thus aligning NBK's portfolio with the Bank's decarbonization goals.

Subsidiaries

NBK continues to include subsidiaries in its GHG emissions calculations, ensuring a comprehensive view of its environmental impact and supporting effective global reduction measures.

GHG Emissions	NBK UK (tCO_2e)		Change
	2023	2024	
Scope 1 (Gas and Fuel)	42.4	43.79	3.28%
Scope 2 (Location-based)	108.59	103.69	–4.51%
Scope 3 (From Rented Vehicles)	0.26	0.24	–7.69%
Total	**151.25**	**147.72**	**–2.33%**

GHG Emissions	NBK Egypt (tCO_2e)		Change
	2023	2024	
Scope 1 (Diesel, Petrol, and Fugitive)	952.5	999.19	4.90%
Scope 2 (Location-based)	3,214.90	2,996.39	–6.80%
Scope 3	N/A	N/A	N/A
Total	**4,167.40**	**3,995.58**	**–4.12%**

5.2.2 Water Management

The majority of NBK Kuwait's water consumption comes from the HVAC system requirements, particularly the chiller plantroom located at NBK HQ. Over the course of 2024, NBK's Engineering team implemented a rule-based logic system referred to as an enhanced Sequence of Operation (SOP) to optimize the tower's chillers. Coupled with the towers Building Management System (BMS), chillers are dynamically staged on/off based on actual cooling load, tower occupancy, and ambient temperatures, ensuring that only the necessary number of chillers operate at optimal load. This initiative has resulted in a -20.85% reduction in YoY water consumption.

Water Consumption	2021	2022	2023	2024	% Change (YoY)
Total Water Consumption (Imperial Gallons)	41,929,918	38,223,713	46,901,692	37,124,265	-20.85%
Water Consumption Intensity (Imperial Gallons/Employee)	17,934	16,293	19,461	15,214	-21.82%

5.2.3 Energy Management

Similarly, the employed optimization system to NBK HQ's chillers also resulted in improved energy efficiency, reducing YoY energy consumption by 19.64%. Between 2021–2024, electricity consumption decreased by 32.37%,reflecting the ongoing efforts of NBK's Engineering team to improve resource efficiency.

Electricity Consumption	2021	2022	2023	2024	% Change (YoY)	% Change from baseline, 2021
Total Electricity Consumption (Megajoules)	217,597,428	194,312,044	183,136,478	147,165,491	-19.64%	-32.37%
Intensity of Electricity Consumption (Megajoules/Employee)	93,069.90	82,826.90	75,990.20	60,313	-20.63%	-35.20%

2025 Energy Reduction Targets and Current Progress:

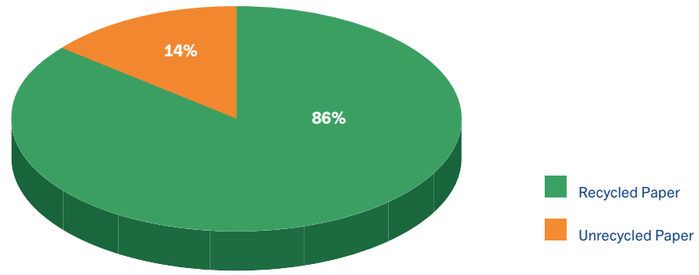
2025 Targets	2024 Status
Convert most branches and other NBK buildings to LED lighting by 2025	The Lighting Retrofit Project has replaced old fittings with LEDs in 47 branches.
Install solar power systems in 24 local branches by 2025	As of 2024, solar power systems have been successfully installed at 18 branches, while preparations for future installments are currently in the study phase.
Implement a Building Energy Management System (BEMS) across all standalone local branches by 2025	Installation of BEMS in 43 branches to control, monitor, and optimize energy consumption related to lighting, heating, ventilation, and air conditioning (HVAC) as well as water systems.

5.2.4 Waste Management

In 2024, NBK recycled 95.10 tons of paper through a third-party vendor, accounting for 86.3% of all paper used.

2024 Waste Volumes		
	Waste	2024 Volume Generated (kg)
	Recycled Paper	95,100.00
	Paper Used (= Paper Purchased)	110,239.20
	General Non-Food Waste	247,263
	Plastic	788

Paper Recycling Efficiency



5.3 Responsible Procurement

Responsible procurement is fundamental to NBK's sustainability strategy. NBK is committed to responsible sourcing, promoting fair competition, and integrating ESG considerations into its procurement framework. Our approach prioritizes local suppliers, aligns with international best practices, and upholds ethical and sustainable business conduct.

5.3.1 Overview

NBK's procurement operations are structured to ensure transparency, efficiency, and alignment with ESG principles. Our supplier engagement is focused on ethical sourcing, regulatory compliance, and fostering long-term partnerships with responsible vendors.

Procurement Metrics[1]	Unit	2023	2024	% Change (YoY)
Total Number of Suppliers	Number	1022	1319	29.1%
Total Number of Local Suppliers	Number	717	859	19.8%
Total Procurement Spending	KWD million	118.714	129.311	8.9%
	USD million	387.006	419.705	
Procurement Spending on Local Suppliers	KWD million	100.126	106.085	6.0%
	USD million	326.409	344.322	
Percentage of Spending on Local Suppliers	Percentage	84%	82%	-2.0%

[1] Definitions
- Local refers to operations based in Kuwait and includes support and products provided from Kuwait.
- NBK's Significant Locations of Operation include NBK HQ, NBK Kuwait Branches, data centers serving as backup storage sites for NBK HQ data, and the records building, which functions as a secure storage facility for all customer documentation and a designated site for paper shredding.

5.3.2 2024 Initiatives

1. Sustainable Procurement Policy

- ESG Integration in Procurement: Incorporated ESG clauses into the procurement policy
- Enhanced ESG Processes: Implemented category management, vendor complaint channels, and ESG due diligence
- Employee Engagement: Assigned three volunteer employees to support implementation

Challenge: Limited digitalization requires manual calculations for Total Cost of Ownership (TCO) and extensive training for procurement teams on new policy requirements.

2. Group Sustainable Procurement Strategy Framework

- Published framework in alignment with Group ESG strategy dictating commitments and principles for sustainable procurement
- Aims to guide NBK's various procurement functions for managing the procurement and vendor management practices across NBK Group in an efficient and responsible manner

3. Updated Supplier Code of Conduct

- ESG Integration: Launched in February 2024 with embedded ESG clauses
- Employee Engagement: Two volunteer employees dedicated to driving awareness and ensuring compliance

Challenge: Manual collection and tracking of vendor submissions, requiring significant follow-up efforts.

4. Environmental Initiatives

- SAF Project with DHL: As of April 1, 2024, 100% of NBK's shipments transitioned to SAF, with ESG certification provided by the vendor
- Eco-Friendly Product Adoption: Encouraging employees to choose sustainable office supplies

5.3.3 Supplier Due Diligence and Risk Management

NBK recognizes the risks associated with supplier collaboration, including stakeholder protection, data security, corruption, bribery, money laundering, business ethics, human rights, labor practices, and environmental impact.

To mitigate ESG-related risks and leverage opportunities, NBK works closely with suppliers and service providers. NBK's Human Rights Statement addresses such issues as forced labor, human trafficking, child labor, labor rights, and non-discrimination. Moreover, these are applied to both suppliers and partners.

Additionally, NBK's Code of Conduct, Customer Privacy Policy, and Customer Protection Guide extend to suppliers, and all outsourcing contracts comply with Kuwaiti Labor Law.

In alignment with NBK's sustainability commitments, the Supplier Code of Conduct Declaration Form integrates ESG considerations. Effective Jan. 1, 2024, Group Administration Services communicated the updated declaration form to all suppliers. Annual compliance screenings help monitor significant social and environmental risks in the supply chain.

Before engaging in contracts with NBK, suppliers must adhere to established standards, covering:

1. **Policy on Corruption and Conflict of Interest**
2. **Policies on Human Rights and Environmental Protection**
3. **Sanctions**
4. **Declarations**
5. **KYS (Know Your Suppliers)**
6. **TPAUA (Cyber security)**
7. **NDA (Non-Disclosure Agreement)**

In 2024, two cases of conflict of interest were identified and addressed.

To enhance supplier accountability, all active suppliers must sign NBK's Code of Conduct, which explicitly protects both labor and human rights. Additionally, our NDA safeguards confidential information for both NBK and its suppliers.

Ensuring Fairness and Transparency in Procurement, the Bank:

1. **Conducts negotiation meetings with all suppliers.**
2. **Hosts tender opening meetings for financial proposals simultaneously to prevent any undue advantage.**
3. **Provides equal opportunities for shortlisted suppliers to demonstrate proposed solutions.**
4. **Evaluates vendors through a structured governance framework, with assessments conducted by relevant bank divisions.**

Supplier Screening & Assessment:

Social Criteria

All new suppliers undergo rigorous social screening processes, including:

- CFT Clearance – Anti-money laundering checks
- KYS – Annual updates on supplier information and screening of board members
- ESG Code of Conduct – A signed declaration ensuring adherence to human rights, ethical business practices, and sustainability implementation

Environmental Criteria

All new suppliers undergo rigorous Enviromental screening processes, requiring them to:

- Submit ESG practices documentation – Suppliers must disclose their ESG policies and provide eco-friendly options during the tendering and bidding phase
- Commit to environmental standards – Suppliers confirm adherence to NBK's environmental criteria, as detailed in the Code of Conduct

5.3.4 Short and Long-Term Procurement Plans

- **Short-Term: Digitalization & Paper Reduction**
  - Automating procurement workflows to minimize paper usage and improve efficiency
- **Long-Term: Sustainable Procurement Evolution**
  - Exploring strategic partnerships with recycling companies
  - Implementing long-term data migration solutions for procurement processes

6

Capitalizing **on Our Capabilities**

2-4, 2-7, 2-16, 2-25, 2-26, 201-3, 202-2, 203-1, 401-1, 401-2, 401-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 404-1, 404-2, 404-3, 405-2

This section introduces the strategies and approaches adopted by Group Human Resources (GHR) to enact NBK commitment to ensure diversity, equity, and inclusion (DEI) safety, growth, and the welfare of our workforce. The section further presents NBK's progress in promoting an agile work environment through innovative digital solutions.

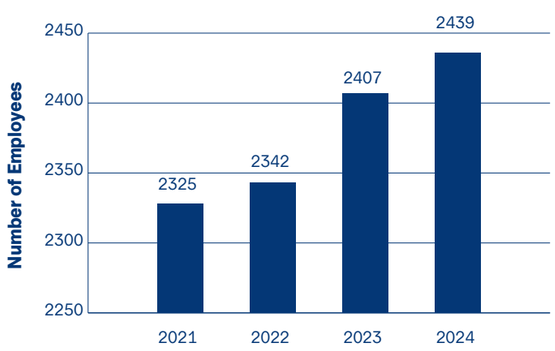
6.1 **Human** Development

NBK is dedicated to nurturing a diverse and inclusive workforce and fostering a culture of trust, innovation, and transparency. We believe that maximizing our employee value proposition is achieved by prioritizing their physical, mental, and financial well-being, along with their professional growth. The Bank upholds its diligent workforce management and organizational structure to attract, hire, engage, and retain tenured and promising talents.

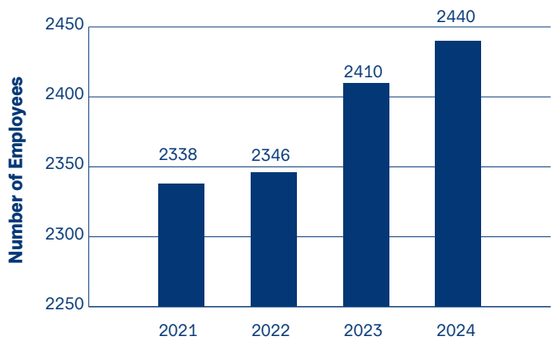
6.1.1 Workforce Overview

NBK has a current total of 2,440 employees, representing a 1.3% increase from 2023. The Group's total workforce is broken down into 2,092 non-managerial employees and 348 employees in managerial roles.

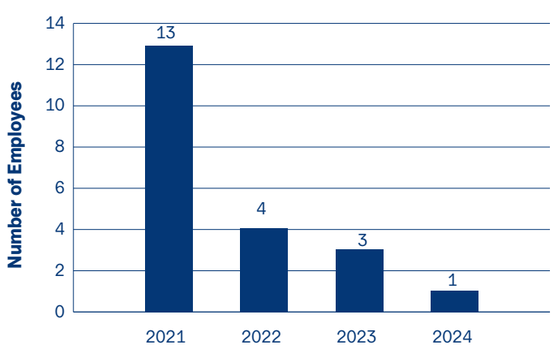
Total Number of Full-time Employees



NBK Kuwait Total Workforce



Total Number of Part-time Employees



6.1.2 Talent Acquisition Management

NBK's Talent acquisition strategy is designed to attract, engage, and retain top-tier talent across all organizational levels. In 2024, the Bank achieved a 1.1% vacancy factor, underscoring the efficiency of its recruitment processes and optimal workforce planning. Dedicated initiatives are in place to support talent acquisition at both entry-level and senior management roles, ensuring a robust and diverse talent pipeline.

Acquiring Talents Among Students

University Workshops Through NBKConnect Program

- The university workshops initiative was designed to position NBK as an employer of choice for university students
- The workshops presented NBK's culture and its growing opportunities to students, from various academic majors, such as computer science, computer engineering, and business information
- The intiative mainly targeted raising awareness among students on how their skills are applicable in the banking sector
- It enabled the Group to align with national development goals, particularly Kuwait Vision 2035, by fostering the development of a diverse talent pool for the Kuwaiti banking industry

Acquiring Talents Among Young Job Seekers

Revamp of NBK Career Page

- NBK revamped its career page in 2024 to attract top talent via more dynamic and seamless platform experience
- The new design aligns with NBK's employer branding strategy to appeal to the younger generation by providing a vivid representation of our work culture, growth opportunities, and ESG initiatives
- With improved navigation of our career page, we have facilitated the exploration of job opportunities at NBK while showcasing the Bank as a forward-thinking, and employee-focused organisation in a competitive job market

Acquiring Talents Among Senior Professionals

Revamp of Senior Employees Onboarding

- The HR Employee Services unit at NBK revamped the onboarding program to enhance their pre-joining and post-joining experiences
- The initiative provided senior hires with training and ongoing support to smooth their transition into the Bank
- The programme delivered a seamless onboarding process, ensuring that employees feel confident and welcomed
- The enhanced onboarding programme has successfully received positive feedback from senior employees in terms of improved satisfaction and enhanced adaptability to their new roles

Internship and Fresh Graduates
Our talent acquisition approach aims to cultivate future skilled professionals by offering undergraduate and graduate internships. NBK is committed to extending traineeship programs for high school and college students.

NBK Structured Summer and Fall Internship

- In 2024, NBK trained a total of 96 students from different fields of study
- The interns were exposed to practical banking experience and real-world challenges in a supportive learning environment
- By the end of training rounds, participants shared their inspiration to consider the banking sector as a viable career path

NBK Aspire

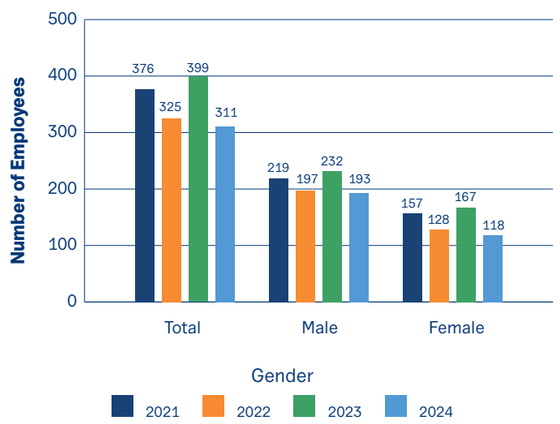
- The program was designed for students aged 14 to 18 to prepare them for future careers through intensive lectures on areas related to sustainability, public relations, business ethics and digital communication
- In 2024, the program trained a total of 150 students with 97% growth in trainee base, reflecting NBK's continual commitment to social responsibility

6.1.3 Hiring and Turnover

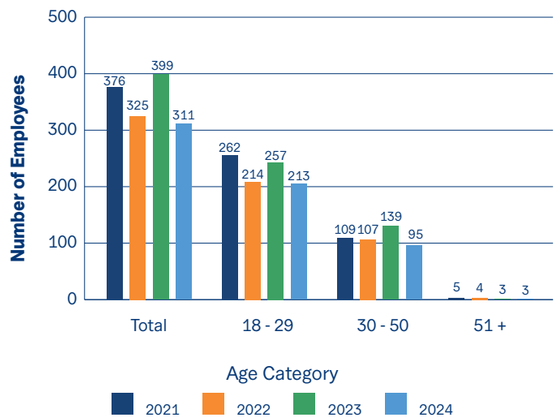
NBK continues to grow its workforce and attract more youth and high-caliber professionals. Beyond filling vacancies, NBK's systematic hiring process enables employees to be selected and placed into the Bank's inclusive and diverse workspace. NBK's GHR implements diligent procedures and a competent framework in the recruitment process to ensure each potential candidate is hired for the best-fit job. In 2024, the Bank developed an employee onboarding program for an improved new-hire experience.

"In 2024, NBK hired **311 new employees**, representing **12.7%.**"

Total Number of New Employee Hired by Gender



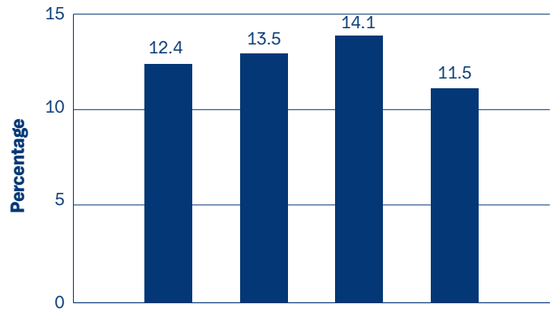
Total Number of New Employee Hired by Age



"**NBK's growing workforce** is fueled by youth. 68% of total new hires **are aged between 18 and 29.**"

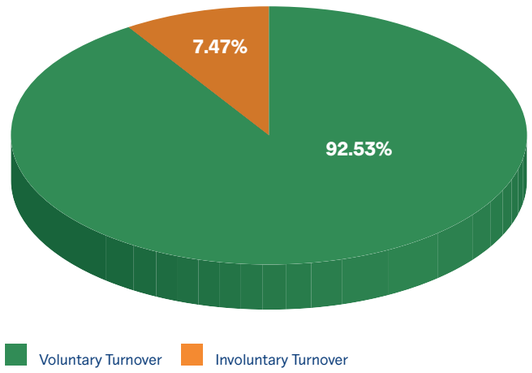
Concerning employee attrition, NBK recorded an 11.5% turnover rate, which is a decrease from last year. This reduction is attributed to significant efforts of NBK's Employee Relations unit in tracking and assessing turnover rates every year. The division consistently monitors the feedback outcomes of exit interviews and reports to evaluate the Bank's culture, job satisfaction, and potential areas for improving employee retention. In 2024, the division launched the first phase of the employee offboarding program to streamline exits and offboarding satisfaction surveys.

NBK Turnover Rate



Employee Turnover	Unit	Scope	2021	2022	2023	2024
Total Employee Turnover	%	Group	12.4	13.5	14.1	11.5
Number Breakdown by Age:						
Employees Aged 18–29	Number	Group	142	143	121	99
Employees Aged 30–50	Number	Group	114	145	179	166
Employees Aged 51+	Number	Group	29	29	35	16
Number Breakdown by Gender:						
Male	Number	Group	144	163	212	150
Female	Number	Group	141	154	123	131

Turnover Breakdown



Breakdown of Reasons for Turnover:

A segregation of turnover rate by reason is presented below based on the responses received from the exit interviews:

Involuntary	7.47%
Better Offer	16.73%
Family/Health	33.45%
Further Education	3.91%
Relocating/Change Career	7.83%
Retirement	4.98%
Other	25.62%

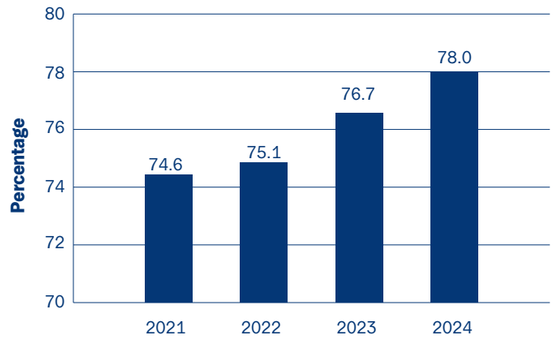
Nationalization

As per the Kuwaiti government and CBK's mandate to achieve a 70% Kuwaitization at all employee levels by 2027, NBK has developed an internal strategy and developed corresponding KPIs to be measured on an annual basis to ensure that the target is reached.

The Bank successfully increased its Kuwaitization quota to 78%, a milestone that was particularly challenging to reach due to a limited talent marketplace, which required innovative approaches to sourcing and hiring. NBK Academy and NBK-Tech Academy played a significant role in improving the Bank's recruitment efficiency.

2024 Nationalization Milestone Achievement: 78% Kuwaitization Rate

Nationalization Rate



Kuwaiti ization	Unit	2021	2022	2023	2024
Nationalization Among the Total Workforce	Percentage	74.6	75.1	76.7	78.0
Nationalization of Senior Management	Percentage	41	41.8	70.0	71.6
Total Number of Kuwaiti Employees	Number	1,744	1,762	1,848	1,902
Total Number of Non-Kuwaiti Employees	Number	594	584	562	538
Total Number of Kuwaiti Female Employees	Number	880	856	915	909
Total number of Non-Kuwaiti Female Employees	Number	169	167	153	146
Total Number of Male Kuwaiti Employees	Number	864	906	933	993
Total Number of Male Non-Kuwaiti Employees	Number	425	417	409	392

6.1.4 Training and Development

NBK continuously invests in its employees' competencies and career paths through various training development opportunities. NBK employee development programs are designed to enhance employees' technical, soft, and digital skills. Training programs are reviewed and updated every 3–6 months to meet evolving industry standards and employee needs. In 2024, over 113,950 training hours were delivered to 3,334 NBK Kuwait and NBK IBG employees via various learning channels. Skill development opportunities are available to all NBK employees, regardless of gender or managerial level.

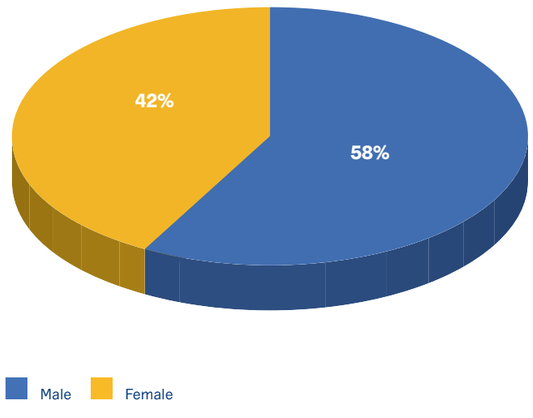
Committed to Transparency:
Explore NBK Training and Development in our HR Management Policy: https://www.nbk.com/dam/jcr:097ca7c5-f5fc-4a11-a431-451a4fdf5158/hr-mgt-policy-2022-e.pdf

NBK's Training Indicators

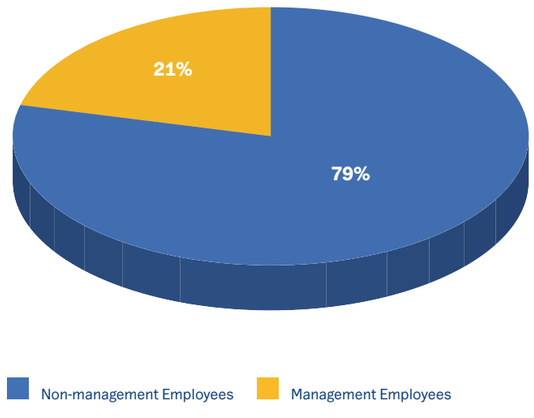
- Total training hours: more than 113,950
- Average training hours per employee: 46.7 hours
- Value invested in providing training to employees: KD 1.841 million

Training and Performance Evaluation (Hours)	2021	2022	2023	2024
Total Training Delivered	80,055	89,722	142,339	113,951
Male	49,033	46,918	80,072	65,846.1
Female	31,022	42,804	62,268	48,104.5
Managerial Employees	16,224	19,554	15,433	23,584
Non-managerial Employees	63,831	70,168	126,907	90,366.8

Total Number of Training Hours by Gender



Total Number of Training Hours by Employment Category



To maintain its top-tier performance, the Bank annually provides a compulsory set of training programs to ensure the acknowledgment of fundamental ethical business topics and NBK commitments. Mandatory training programs cover sector-leading programs related to core banking operational principles and consumer financial protection. We further offer a wide scope of job-specific development training programs, including role-to-role programs, in-house workshops for upskilling consumer banking staff, middle management programs, and credit administration and operations certification training. Due to differences in job specialization, additional programs with more specialized curriculums were introduced to refine knowledge and expertise in such areas as the oil and gas sector.

NBK Mandatory Training Programs

- Anti-Money Laundering
- Fraud Awareness
- Anti-Bribery
- Code of Conduct
- Customer Protection
- Data Protection
- Information Security
- Intelligent Automation Solutions
- Data Quality
- Corporate Governance Regulation
- Sustainability Essentials

2024 Achievement

- Successful Completion of 83.5% Mandatory Compliance Training Programs
- 74.8% of Employees Received Anti-corruption Training

All NBK Employees are Equipped with the Knowledge and Skills Necessary to Drive Sustainability Practices within the Bank.

Sector and Topic-specific Training Programs

Oil & Gas Sector Standards Training

- NBK's Training and Development Department implemented specialized curricula tailored to specific employees in the oil and gas sector. The programs were developed in collaboration with reputable institutions, including Moody's, Euromoney, and Deloitte, to provide employees with high-quality training aligned with industry standards
- The Program benefited 50 employees in the Oil & Gas sector
- Through comprehensive training initiatives, NBK ensured that they are well-equipped with the necessary skills and knowledge to excel in their respective field

Business Etiquette Training

- NBK organized a special training program with the Ministry of Interior on "Business Etiquette"
- It Increased awareness of 20 employees regarding critical subjects that are not limited to professional communication, workplace conduct and networking

Leadership Training Programs

NBK embeds multiple leadership-enhancing programs within its talent management framework, such as:

NBK High-Fliers Program (Advanced Management Program)

- **Background:** Focusing on understanding the environment, building a greater capacity to design and develop strategies in a new and evolving business context, and executing change and innovation
- **Outcomes:** The eighth cohort graduated with a total of 22 participants from different areas within the Bank, including NBK Capital, and international locations of NBK KSA Wealth Management, London, Shanghai, Paris, and Bahrain

HIPO Mentoring Program

- **Background:** Prepares employees for leadership transitions through ongoing mentoring relationships for 12-18 months and workshops that transfer knowledge from experienced leaders to emerging talents
- **Outcomes:** 56 mentors and 144 mentees were involved in NBK's mentorship programs

Collective Executive Development Program

- **Background:** NBK cooperated with the INSEAD Business School to organise an intensive training program for developing leadership in all divisions. The program features two major modules focused on the evolving banking sector and leadership and digital strategy
- **Outcomes:** The program integrated 63 participants from across NBK

NBK Pioneers Program

- **Background:** The Bank collaborated with a number of local and international training institutions, including Scotwork and Euromoney, to launch NBK Pioneers program in November 2024. The new six-month program has targeted high-performing employees, especially in customer-facing divisions (Domestic Branches Division, Direct Sales Division, Call Centre, and Business Banking). It strengthens employee impact, digital transformation, and technical, leadership, interpersonal, and innovation skills

Transcendence Leader-Coach' (TLC) Program

- **Background:** NBK partnered with the Coaches Circle Academy in Vancouver to facilitate the participation of NBK leaders in the Coaches Circle Academy training programme, the Transcendence Leader-Coach (TLC). The new strategic training programme aims to develop leaders' coaching competencies, communication and problem-solving skills, employee engagement, and performance management
- **Outcome:** NBK leaders will emerge as neo-leaders who can navigate a world of volatility, uncertainty, complexity, and ambiguity (VUCA)

Effective NBK Workforce Development
Development Training Programs Achieved an Average Satisfaction Score of 90%, Indicating its Tangible Impact on Employee Skills and Professional Growth.

NBK Talent Management Plans
Our Solid Plans are Centered on Continuously Upskilling NBK Staff to Increase the Number of Training hours/days, and Expand the Pool of Trained HIPOs.

As part of the Bank's talent pipeline and management development strategy, we are committed to empowering youth and local talent by hiring and developing fresh graduates. NBK consistently provides impactful learning opportunities for national fresh graduates through NBK Academy and NBK Tech Academy.

NBK Academy

NBK Academy was created in 2008 to satisfy the sector's growing needs for banking and digital skills and talents. The program equips fresh graduates with a 6–7-month training course in different operational units across banking and tech. NBK Academy positions the Bank at the regional forefront of fresh graduate programs for three main reasons: the consistent criteria of the candidates' selection, the comprehensive and informative material, and the engagement of internationally accredited trainers to supply specialized banking skills. There were a total of 18 graduates in the 29th wave of the program, who are now placed across the Bank. Our efforts were recognized by the prestigious MEED award for the Best MENA Youth Program for the third consecutive year.

NBK Tech-Academy

This year, we expanded our training beyond conventional banking functions to include cutting-edge innovation and technology-focused learning. Learning Talent Management successfully established the one-of-a-kind NBK Tech Academy Program to empower Kuwait's early-career talents with digital and data technological skills. The Academy aims to bridge the technical skill gap and increase the nationalization rate in technical groups.

During the first quarter of 2024, the first wave of NBK Tech Academy graduated 10 fresh graduates ready to meet the demands of the innovation-driven banking sector. The professional training program provides intensive training in such technical skills as fintech, data analytics, ethics in technology, cyber security, fundamentals of digital payments, digital innovation, AI, and finance for non-finance professionals. The program also focuses on developing soft skills, including teamwork and team building, business planning and analysis, writing skills, delivering results, meeting customer expectations and customer centricity, presentation skills, and customer experience (CX).

6.1.5 Employee Performance Management

All employees are eligible for regular performance management appraisals and career development reviews. Each manager is responsible for conducting an annual performance review to assess employees' performance. From the manager's perspective, the annual cycle:

- Sets performance goals in the first quarter of every year
- Identifies key performance measures
- Assigns weights to each goal
- Identifies required competencies and behavioral traits for each employee
- Conducts the appraisal discussion at the end of the year

"**In 2024, 93%** of Male and **94%** of Female Employees Received Regular Performance Review"

Since 2022, NBK has been conducting the Midyear Review Cycle to foster open and transparent communication between managers and employees, thereby facilitating meaningful engagement, aligning objectives, and tracking progress. NBK has also been reviewing performance, distribution, and allocation across business streams, adjusting targets as needed to reflect overall business performance and ensure fairness. In 2024, NBK introduced individual self-reviews to the midyear review process to provide employees and managers with a holistic view of employee performance.

6.1.6 Succession Planning

In 2024, over 35 talent forums or meetings were held with each Group Head and certain division to assess their positions, review related successors, and evaluate respective plans. As part of Talent Management's annual succession planning initiatives, the talent forums were followed by interviews on career aspiration and strategic development opportunities, with a view to support retention. Throughout the year, the Talent Management team completed 90 interviews and follow-up touchpoints with NBK critical staff under levels 1/2 and 3/4, compared to 75 interviews in 2023.

6.1.7 Compensation

The NBK compensation system is strictly adherent to Kuwait Labor Law and relevant regulatory guidelines. The Bank retains its fair and impartial compensation system, where salaries are performance- and experience-based, and free from any probable gender- or nationality-specific biases. Compensation benchmarking exercises rely on data from remuneration consultants. Any design changes to remuneration policies and the annual salary budget are approved at the CEO level.

6.1.8 Employee Benefits

NBK is keen to provide its employees with various benefits and allowances, all of which are described in the Human Resource Management policy. All employees are eligible for non-pay benefits, such as medical and life insurance, interest-free loans, disability and invalidity coverage, retirement provision, paid leave, flexible working hours, on-site clinic, parking fee support, and training and development. This year, we expanded our benefits with additional employee support programs to enhance staff's financial and personal well-being.

2024 Health Employee Benefits

AlRayan Membership
Five-year exclusive free membership with Al-Seef Hospital to cover health benefits that are not covered by the current health insurance provider.

Seasonal Flu Shots for Employees
For two weeks, employees were offered free seasonal flu shots on site at NBK clinic by Wara Hospital, benefiting 200 employees.

2024 Financial Employee Benefits

NBK Term Deposit for Staff
NBK introduced a staff term deposit through its website and mobile application, offering exclusive fixed term deposit rates to maximise employees' savings returns.

Second Free of Interest Loan for Employees
NBK approved an update to its interest-free loan policy. Employees can apply for the loan twice during their employment.

Al Jawhara Employees Savings Account
Starting from October 2024, all NBK staff can open an Al Jawhara saver account via our app and earn up to 1.5% guaranteed interest in the first year. Employees can enter Al Jawhara employee draws to win a KD 1,000 monthly draw or KD 10,000 grand prize draw.

Category	KWD million	USD million
Total Amount Spent on Employee Compensation and Remuneration (All Employees)	252.578	819.79

6.1.9 Work-Life Balance

The Bank maintains its standard approach to flexible working hours and leave policies, offering paid study leave, compassionate leave, Hajj leave, and maternity leave. The leave and flexible working hours policies are published on our official website.

Reduced-hours on Thursdays
Starting from Dec. 5, 2024, working hours on Thursday have been reduced by one hour.

Three-day Well-being Leave
Starting from January 2025, all employees are entitled to a three-day well-being leave for personal priorities.

Maternity and Paternity Leaves
Employees are entitled to both maternal and paternal leave. In line with Kuwaiti labour law, female workers have the right to 70 calendar days of paid maternity leave for childcare. Maternity leave is extendable by taking unpaid leave for up to four months. In 2024, a total of 1,385 male and 1,055 female employees were granted parental leave, of which 51 male and 26 female employees availed, with a 100% return to work rate.

6.1.10 Human Rights and Labor Standards

At NBK, we believe that everyone should be treated fairly. As a participant of the UNGC, NBK labor practices adhere to human and labor rights standards in the Statement on Protecting and Advancing Human Rights. In line with the anti-discrimination policy, NBK guarantees equal treatment and has a zero-tolerance policy for bias or unfair actions based on gender, race, color, language, religion, political opinions, or other such statuses. NBK also addresses harassment through its employee Code of Business Ethics and Conduct handbook. The staff complaint policy outlines procedures for dealing with unacceptable conduct under “discrimination and harassment.” The procedures are also specified in the Employee Grievance Policy Statement and the Human Rights Statement 2020. Additionally, mandatory e-learning training on discrimination and harassment is a key component of NBK’s code of conduct training for new employees.

Committed to Transparency:
Explore NBK’s Statement on Protecting and Advancing Human Rights: https://www.nbk.com/dam/jcr:b98d4727-5b5f-466f-a34c-3d3a20019728/human-rights-statement-2020-e.pdf

6.1.11 Employee Engagement

Employee Complaints
At NBK, employee engagement is driven by concise policies, channels, and instruments to encourage employees to raise concerns and freely express feedback on their working experiences. Through structured employee performance engagement, the Bank provides clear career development pathways while recognizing and rewarding employees’ contributions.

The staff complaint, grievance, and non-retaliation policy is easily accessible on NBK’s website and disseminated among employees. The policy statement outlines the procedures for complaints and grievance reporting/escalation to the direct manager/Group head or the Employee Relations unit. It defines the workflow for processing reported cases from submission to resolution, while ensuring non-retaliation and safeguarding confidentiality for the reporting employee.

Moreover, employees can freely voice their concerns over any perceived unethical or unlawful actions or behavior that breach NBK’s core values and human or labor rights. Employees are assured that there is always flexibility to mitigate any potential legal risks.

Committed to Transparency:
Explore our Employee Grievance Policy:
https://www.nbk.com/dam/jcr:6af7e883-c33e-4cd8-b223-35710c76cd96/staff-complaint-grievance-policy-statement-2024-e.pdf

10 Grievances were Filed in 2024, With 90% Being Addressed.

0 Filed Grievances in 2023 Were Resolved this Year.

Employee Feedback Enables Grievance Mechanism Reform
The Employee Relations team receive regular feedback from employees regarding the process and update it accordingly. The grievance policy was most recently updated in 2023 and has taken into consideration the necessary indicators and management approach according to ESG standards.

Employee Engagement Survey
NBK consistently tracks the status of its employees’ well-being. Every two years, NBK holds a bank-wide Employee Engagement Survey (EES, or “Your Voice Matters”) and contracts a third-party vendor Willis Towers Watson (WTW) to measure and benchmark employee engagement.

Objective:
The EES monitors employees’ satisfaction and empowers them to share their insights of working at NBK. It measures their engagement across 14 main categories that reflect current and relevant business trends.

Outcomes:
The most recent survey was distributed in October 2023 and had a response rate of 86% at the Group level—significantly higher than the global average response rate of 65–75% and the global high-performance response rate of 85%. The survey achieved a high score of 84%, which is 7% above the global average rate for financial institutions, with key strengths including learning and development, image and reputation, and employee well-being.

These survey results are used to identify key strengths and potential growth areas by benchmarking against leading practices. NBK has also conducted action-planning workshops based on employee feedback. All participating groups have submitted their action plans for the upcoming two years.

Committed to Transparency:
Explore our EVP and Employee Engagement Policy:
https://www.nbk.com/dam/jcr:fd35f949-258e-4bd7-b9f3-631e1a75593a/evp-and-employee-engagement-statement-2024-e.pdf

Leveraging Survey Data for an Enhanced Employees’ Journey
We have collaborated with relevant stakeholders to transform survey suggestions into impactful initiatives that address NBK workforce needs. Projects related to employee well-being (second interest-free loan, NBK staff term deposit, and three-day well-being leave) have been introduced based on the survey results.

Most Valuable Team Player

In 2024, we launched the seventh round of our unique rewards initiative: NBK Most Valuable Team Players (MVP) awards. Award nominations were enabled for the entirety for NBK Group, including Kuwait and international locations, and for the first time, NBK Wealth. The MVP Awards include two awarding segments: the individual award Most Valuable Team Player (MVP) and The Most Collaborative Team (MCT). Over 94 employees and 30 teams received awards in the presence of NBK's Executive Management. Employees were awarded for their teamwork, collaboration, excellence, and dedicated contribution to the Group. The MVP Awards is an internal employee campaign that recognizes employees' positive contributions through peer nomination. In the nomination,all employees can vote for the junior employees they perceive to be the MVP within their division or groups.

6.2 **Diversity** and Inclusion

NBK actively monitors diversity metrics, including gender representation, age distribution, nationality, and the inclusion of individuals with diverse abilities. Following this approach, the Bank identifies gaps, sets measurable targets, and implements initiatives that promote diversity and inclusion across all organizational levels.

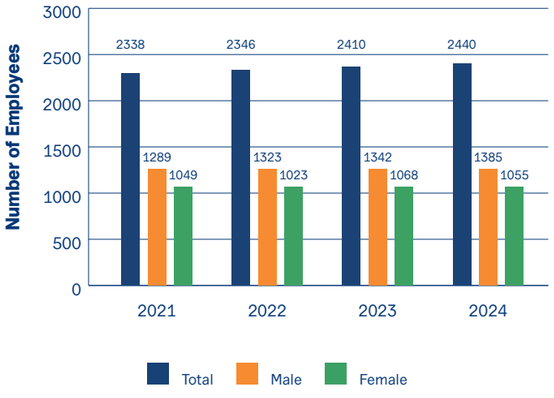
Our diversity efforts align with SDGs five and ten. The Bank supports these global objectives, striving toward gender parity, increased representation of nationalities, and inclusive leadership practices. This approach strengthens the Bank's internal culture and positively impacts the communities we serve. NBK's diversity initiatives also align with Vision 2035 by fostering an inclusive workforce that supports economic diversification and sustainability.

6.2.1 Gender Diversity and Women Empowerment[2]

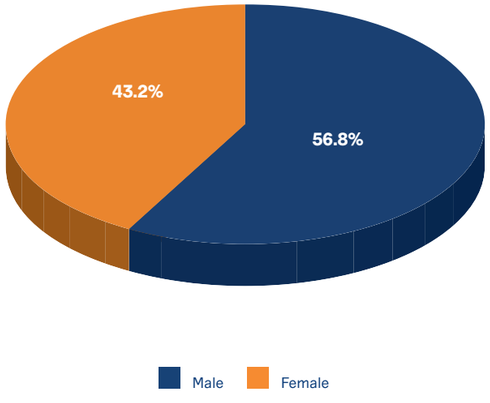
NBK recognizes the importance of gender diversity in its workforce. In 2024, women represented 43.2% of the total workforce, achieving near-equal representation with men. The figures below illustrate key aspects of NBK Kuwait's gender diversity in 2024. The total number of STEM employees is 347, with 28.8% of STEM Positions occupied by women.

[2] The management employee category includes both senior and middle management.

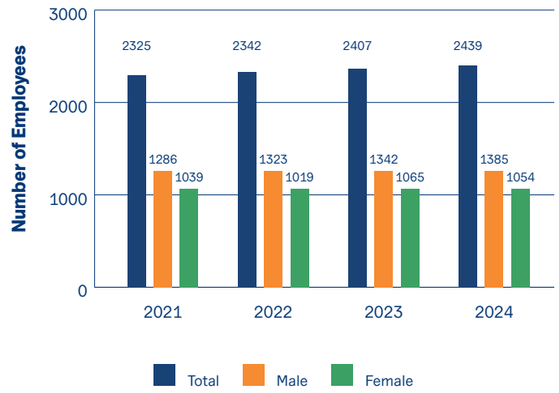
Total Number of Permanent Employees by Gender in NBK Kuwait Workforce



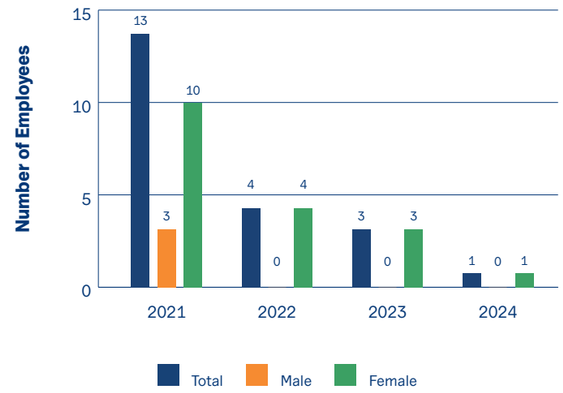
2024 Employees Gender Distribution for NBK Kuwait Workforce



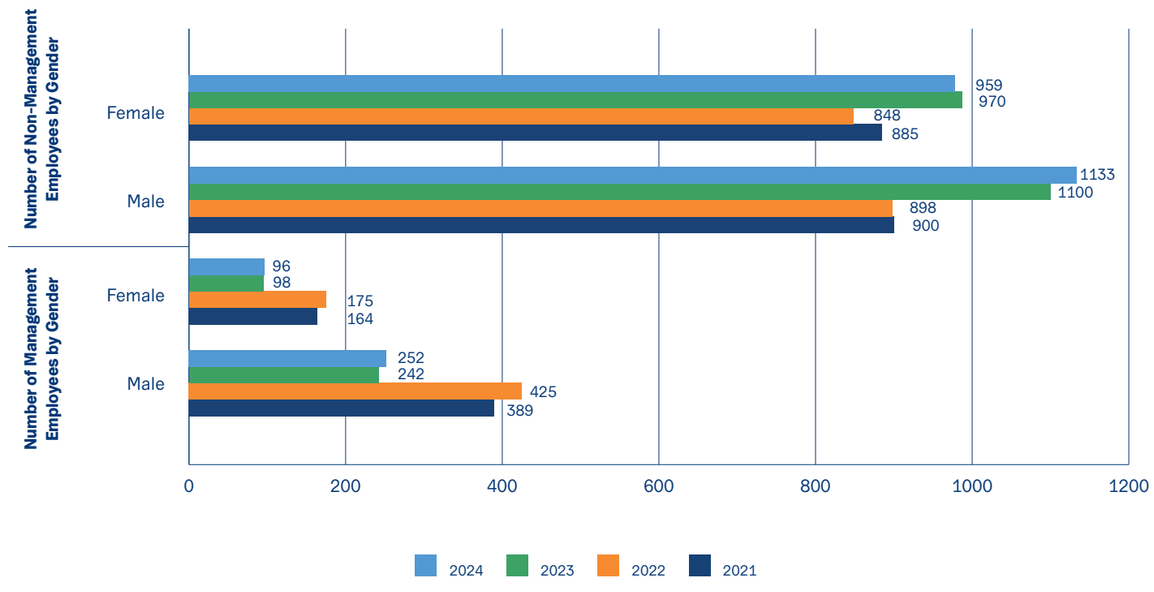
Total Number of Full-time Employees by Gender in NBK Kuwait Workforce



Total Number of Part-time Employees by Gender in NBK Kuwait Workforce



Total Number of Employees by Gender and Managerial Level in NBK Kuwait Workforce



Metrics	NBK UK	NBK France	NBK Egypt	NBK Singapore	NBK NY
Total Number of All Employees	198	72	2049	38	53
Number Breakdown by Gender:					
Male	117	45	1355	19	37
Female	81	27	694	19	16
Gender Distribution:					
Male	59%	62%	66%	50%	70%
Female	41%	38%	34%	50%	30%

Case Studies

A) NBK Rise Programme: Women Empowerment – Second Cohort

Overview:
NBK RISE is a pioneering Women Leadership Development Program designed to elevate talented women to significant leadership roles. As a signatory of the UN's Women's Empowerment Principles, NBK strongly advocates gender equality. Supported by Ms. Shaikha Al-Bahar, Deputy Group Chief Executive Officer, NBK empowers women's employability and managerial skills. The second cohort, launched in November 2024, includes 25 participants from NBK and other organizations, representing diverse industries and international locations. The program spans nine months and partners with world-renowned institutions, such as IE University, INSEAD, and Scotwork. It combines leadership training, mentorship from industry leaders, and management support.

"The programme aligns perfectly with NBK's sustainability goals of inclusion and diversity. A push for more female leadership representation is an excellent strategic direction for organizations to bring fresher ideas and perspectives to the boardroom. The global goal of sustainability becomes more within reach when more women are involved in critical decision-making"- Shaikha AlBahar, Deputy Group Chief Executive Officer.

Objectives:
- Cultivate female leaders for top management roles and board positions
- Inspire transformational changes across business sectors
- Foster a self-sustaining community of women leaders who mentor future candidates

Partnerships:
NBK RISE Cohort 1 participants were selected from different international office locations. NBK RISE's Pledge invited leading regional and global corporations to participate to increase women's representation in leadership positions. The Pledge was signed by both NBK and leaders of major industries. The leaders of AlShaya Group, Commercial Bank of Kuwait, Burgan Bank, EQUATE Petrochemical, and STC Telecom, with their leaders showing their solid commitment by uniting and collaborating toward the objectives of this global program.

Achievements:
- Enhanced readiness of female participants for senior leadership roles
- Creation of a mentoring ecosystem to sustain leadership development
- Recognized with the MEED Awards 2023 for Best Initiative for Women in Business and the SHRM Awards 2023 for Excellence in Inclusion, Equity, & Diversity

B) Masterclasses Conducted in 2024

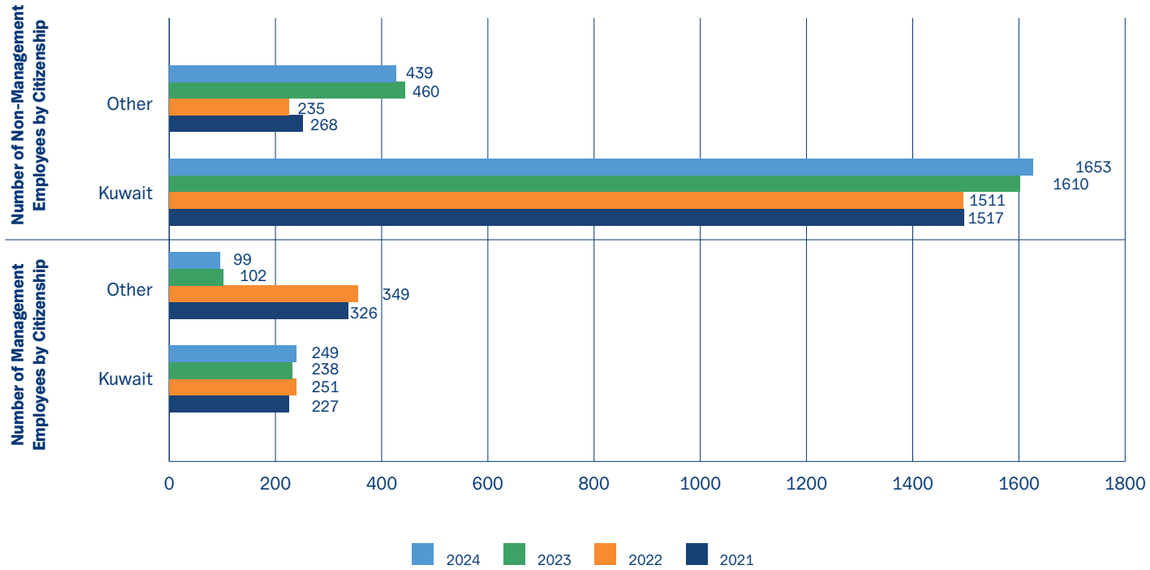
Overview:
As part of our ongoing development, and in collaboration with the Foundation for the Advancement of Sciences (KFAS), the 2024 masterclasses were integral to Talent Management's commitment to the continuous development of the Bank's talents. These sessions were designed to offer valuable, concise learning experiences for NBK leaders, fostering growth and adaptability in an evolving business landscape.
Masterclasses Held:
- Creative Resilience: Leading in an Age of Uncertainty – by Prof. Jill W. Paine
- Leadership – by Prof. Mark Fritz
- KFAS Speaker Event Series – covering multiple dynamic topics

Key Highlights:
- Number of Beneficiaries: 250 participants
- Total Duration: 1 hour per masterclass, totaling 7 hours
- Integration: Part of NBK RISE and KFAS

6.2.2 Nationality Diversity

NBK is committed to building a diverse workforce by integrating professionals from various nationalities across all organizational levels. This approach strengthens the Bank's dedication to developing local talent across its national and international operations.

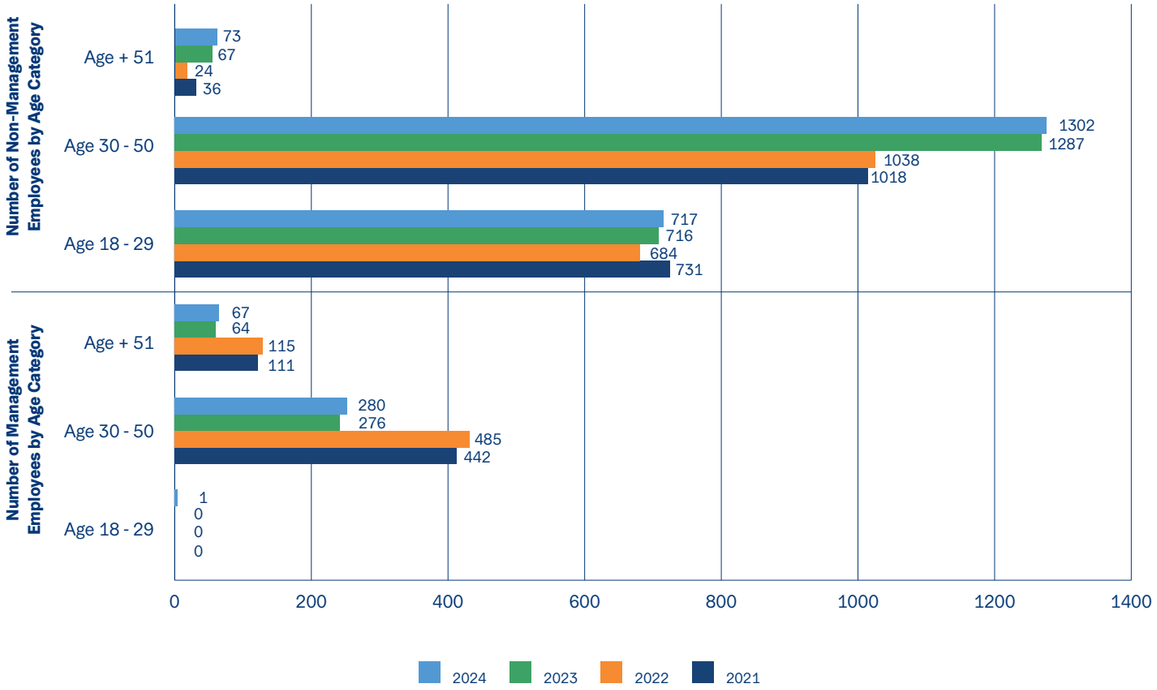
Total Number of Employees by Citizenship and Mangerial Level in NBK Kuwait Workforce



6.2.3 Age Diversity

NBK's workforce is distributed across three age groups, with analyses showing that the 30–50 age group is the most represented in both managerial and non-managerial positions.

Total Number of Employees by Age and Managerial Level in NBK Kuwait Workforce



6.2.4 Special Needs Employees

As part of its commitment to an inclusive workplace, NBK provides a training programme focused on developing workplace skills, building self-confidence, and offering hands-on experience across the Bank. This initiative supports NBK's mission to empower individuals with special needs and improve their employability. In 2024, eight participants gained access to professional skills development through the programme.

6.3 **Employee** Well-being

6.3.1 Health and Safety

NBK provides programs to promote occupational safety and avoid hazardous conditions. The company's stance on health and safety is outlined in its GHR management policy statement. In 2024, the Bank recorded zero incidences of injury per worker and per hour worked.

Committed to Transparency:
Explore the GHR Management Policy Statement Here:
https://www.nbk.com/ar/dam/jcr:097ca7c5-f5fc-4a11-a431-451a4fdf5158/hr-mgt-policy-2022-e.pdf

6.3.2 Absenteeism

NBK sets an absenteeism target of less than 3%, reflecting the Bank's maximum tolerable absence rate. In 2024, NBK maintained the stable 2.4% absenteeism rate from the preceding year. The absenteeism rate includes various types of leave taken by active employees, such as compassionate, compensation, hospitalization, maternity, paternity, pandemic, sick, personal, unauthorized, and unpaid leave. Notably, the calculation excludes annual, study, and training leave, business trips, and Hajj, Omra, and Ashura leave.

Snapshot of Digitalizing HR Operation

HR Digital Assistant Deployment

Launched a chatbot to assist employees with queries, provide HR information, and enhance user experience through quick and automated responses.

Deployment of RPA for Incentive Payments in Production Environment

Implemented robotic process automation (RPA) to streamline incentive payments, reducing errors and manual effort.

ECM – Digital Employee File Launch

Transition from physical employee files to digital records, enabling faster retrieval, improved data security, and reduced paperwork.

Performance Management Revamp on Oracle

Upgraded performance management system on Oracle to streamline performance evaluations.

Specialist Dashboard for HR Activities

A dashboard has been developed on Tableau, granting all Group heads access to key HR data to facilitate discussions with staff on attendance, performance, and other key factors.

Digitisation of Employee Complaint and Grievance Reporting

Introduction of a staff complaint/grievance system where employees can submit their cases via Oracle instead of MS Word to improve the confidentiality and tracking of complaints and grievances.

ACMs for Three Key Systems

Finalised access control matrices (ACMs) for three key systems, defining roles clearly and enhancing system security.

Automated Strategic Business Partners KPIs

The strategic business partners automated the KPI contracting process through the Oracle system for all employees in the Bank.

HR Projects Tracker

HR can add and track their projects giving management the ability to view and track progress of projects.

Birthday Communication

Automate communication with NBK employees, sending them birthday communication automatically.

Candidate Communication Automation

Digitized external candidates communication and standrize it to be based on parameters added by Recruitment team with standard content accross communications.

HR SMS

HR can send bulk SMS to all/selective employees as new communication channel with employees.

From Dedication to Recognition as an Employer of Choice

Talent Management has Received the Following Awards:

AUM Top Recruiter of **Choice 2024**

AUM Highest Talent **Acquisition 2024**

Excellence in Sustainable Investment (**NBK Academy Program**) at the MENA Banking Excellence Awards 2024, a MEED product

Best Bank for Diversity and Inclusion Kuwait (**NBK RISE Program**) at the Euromoney Awards for Excellence 2024

Gold Winner 2024 in Excellence in Health and Well-Being – SHRM

Special Recognition (Developing Women Leaders) for NBK RISE – **Global Women's Leadership Initiative** at the Merit Summit & Awards, Dubai 2024

Best High Potential Development (**NBK High-Fliers Program**) – Brandon Hall Group HCM Excellence Award - Talent Management Bronze 2024

Best Employee Recognition Program (MVP Awards) – **Brandon Hall Group HCM Excellence Award**, Talent Management Silver 2024

NBK Future KPIs

Leadership development programs

NBK High **Potentials Mentoring** program

Creating a "**Senior Leaders Program**"

Activation of **Succession Planning**

Focus on **DEI & ESG**

Create a customized peer-to-peer **learning initiative to establish** a pool of peer experts and rely on internal talents

Improve the overall CX capabilities of our **employees in partnership** with the Consumer Banking Group

Enhance the **coaching culture** and create a pool of internal coaches

Strategic workforce planning

Onboarding redesigning

Creation of SLA catalog for **hiring managers**

Internal talent mobility and clear provision of career paths

Migrate the **full KPI** contracting process to the Oracle system.

Revamp the Competency **Model Framework for employees** in different seniority levels.

Revamp the **performance management cycle** and merge it with the annual review of promotions and salaries **by 2026**

Redefine the roles and responsibilities of **managerial roles** across NBK

6.4 **Digital** Transformation

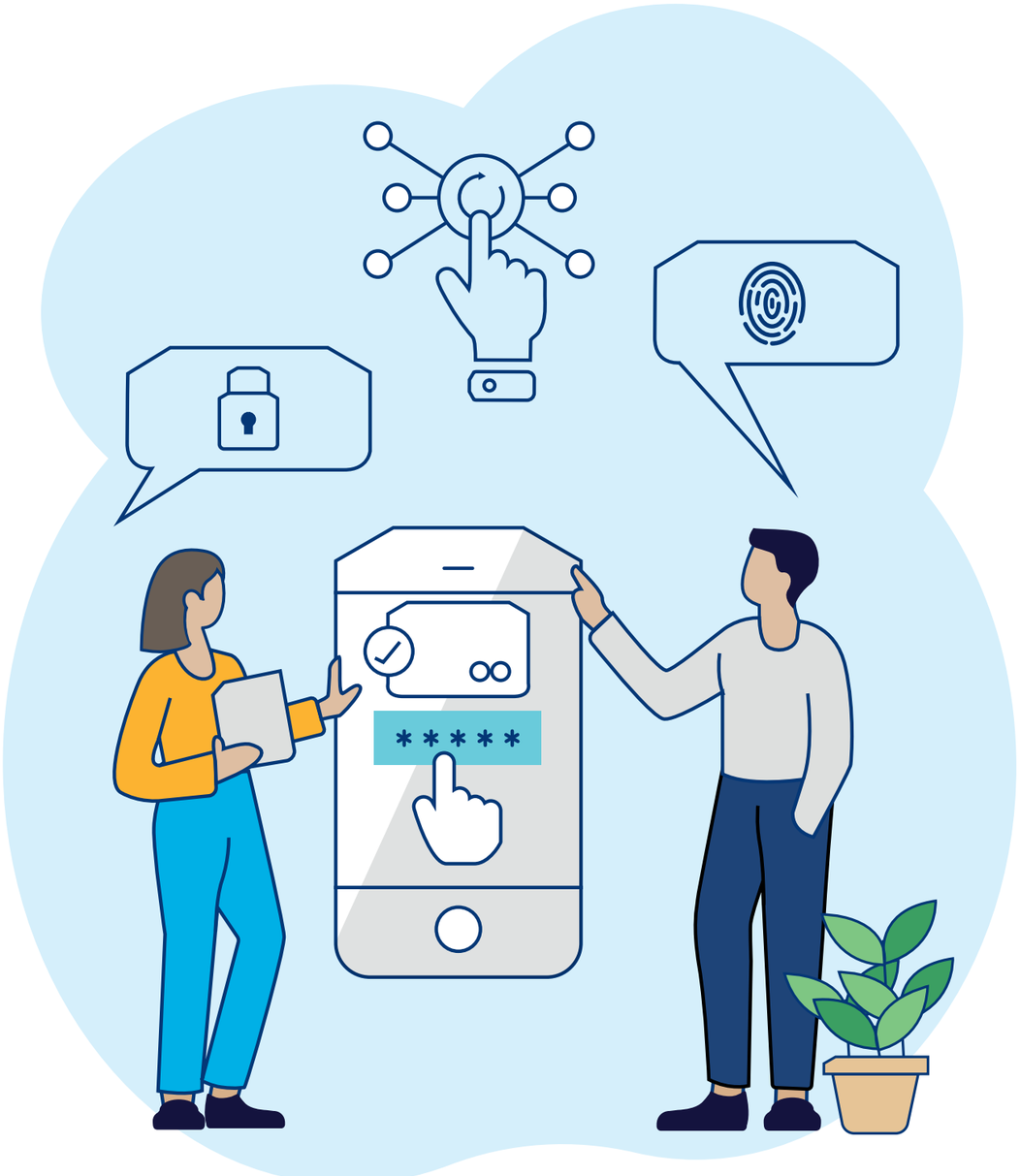
“Faster Smarter Cheaper Better”
NBK integrates digitalization as a core element of its business strategy, enhancing efficiency, customer experience, and financial inclusion. Through its Digital Transformation Strategy, NBK is committed to establishing a digital and agile work environment.
NBK’s digitalization approach has two key components:

1. Core Operations in Kuwait – Enhancing digital banking services to provide seamless, customer-centric experiences and improve accessibility to financial services
2. Business Diversification – Expanding digital solutions beyond Kuwait to capitalize on emerging opportunities in major markets and support broader financial-inclusion initiatives

NBK has achieved a **6% year-on-year growth** in the number of digitally registered customers. This reflects the growing adoption of NBK’s digital banking services, as more customers embrace the convenience and efficiency of mobile and online banking solutions.

NBK's 2024 Awards for Excellence in Digitization:

	Best Bank in Kuwait 2024 – Global Finance
	Best Mobile Banking App 2024 – Global Finance
	Best Online Product Offering Kuwait 2024 – Global Finance
	Best in Innovation Global 2024 – Global Finance
	Best Bank for Diversity and Inclusion Kuwait 2024 – Euromoney
1	**Number 1 Banking Brand Kuwait 2024 – Brand Finance**
	Best Retail Bank in Kuwait 2024 – MEED



Digitizing Operations

Department	Summary	Benefits	Challenges
Control and Follow up	**NBK's SPM Reports Automation:** The implementation of automated Sustainability Performance Management (SPM) Reporting across all Business Units.	• Reduced Manual reporting. • Increased operational efficacy • Reduced human errors	• Extended processing times due to IT department resource constraints and competing project priorities
Credit Administration	NBK's Credit Administration Department: The Development of a comprehensive dashboard integrated to the Bank's internal database allowed centralized monitoring and streamlined management of credit operations.	• Strengthened regulatory compliance by automatically flagging exceptions for timely resolution • Enhanced operational efficiency by streamlining data collection and workflow analysis • Supported the integration of ESG considerations by reinforcing responsible financial governance and risk management practices • Delivered customizable reporting features to provide tailored insights for diverse stakeholder needs	• Addressed data integration complexities through cross-functional collaboration between IT and Credit Administration Teams by conducting targeted training sessions and ongoing support initiatives and engaging stakeholders in the process
Credit and Syndication Operations	**NBK's Initiatives to Decrease Paper Usage:** The Integration of Robotic Process Automation (RPA P280A) was implemented to streamline and automate the contract drafting process using a BOT-based solution.	• Reduced environmental footprint by minimizing paper usage, saving an average of 1,200 sheets per month • Achieved an 80% reduction in paper consumption related to finalized contract cases, contributing to more sustainable operational practices	• Digitizing complex legal workflows by transforming a manual legal drafting process into an automated RPA system • Conducting an extensive review and analysis of contract scenarios to ensure comprehensive process coverage • Enabling the RPA solution to accurately replicate human decision-making and drafting behaviors within legal workflows
Credit and Syndication Operations	**NBK's Initiatives to Decrease Paper Usage:** successfully advanced its digital transformation strategy through the automation of its London portfolio updates and the integration of local shares portfolios in collaboration with KCC and NBK Capital.	• Supported the Bank's commitment to sustainability and operational excellence. • Reduced the dependency on paper • Reduced human error in portfolio updates • Enhanced the accuracy of data input and processing	• Design and implementation stages faced constraints related to confidentiality and secure data handling • Required careful coordination between NBK London, KCC and NBK Capital to maintain seamless integration and compliance • Compatibility issues between existing platforms and new automated systems posed technical delays
Credit and Syndication Operations	**NBK's Initiatives to Decrease Paper Usage:** The automation of internal processes using RPA130 Robot technology to digitize loan vouchers.	• Reduced paperwork, printing, human validation and error reduction/elimination	• The manual processes to be translated into system actions to imitate human actions
Fraud Control and Authorization	**NBK's Initiatives to Decrease Paper Usage:** The initiative introduced a shift to digital platforms through secure shared access to digital records, the use of e-signatures to eliminate physical approvals, and standardized digital.	• The Accounting and Processing Unit successfully cut its daily paper consumption to just 100 pages, equivalent to saving one tree every 12 days • Minimized ink usage and lowered the indirect maintenance costs of printing equipment • Decreased carbon footprint of paper production and disposal and reduce waste	• Compliance and technical barriers. These challenges were resolved by providing hands-on training to the unit and user-friendly platforms and introducing clear usage policies for regular audits and track of compliance • The period needed to adapt to this change, which was resolved by implementing the changes in phases
Funds Transfer & Wealth Management Operations	**NBK's Initiatives to Decrease Paper Usage:** IT experts designed systems to digitize vouchers and save digital copies in a secured shared folder to be easily traced by year, month and day instead of typical process debits and credits on Bancsling (teller system).	• Unnecessary printing of vouchers saved while processing back-office transactions • Heading toward paperless departments and saving time and effort to maintain papers, filing and archiving	• Securing necessary approvals for the new change from Risk, Audit and Legal departments. All cooperated and accepted the idea
Optimization and Control	**NBK's Kuwait "Fikrah" Innovation Platform for Employee Engagement:** The Bank successfully launched "Fikrah" – a digital innovation platform designed to harness collective intelligence across the organization. The platform enables employees to easily submit, view, and engage with ideas, with a focus on transparency, collaboration, and continuous improvement.	• Facilitated idea submission and collaboration • Supports strategic alignment and vision • Acknowledges rewards and outstanding contributions that drive positive change	• technical aspects due to certain restrictions

6.4.1 NBK's Mobile Banking App

Case Study: Enhancing Digital Banking with NBK's Mobile Banking App

Overview:
NBK integrates branch and online banking services into a seamless digital experience. Through ongoing improvements, the Bank aims to provide customers with a more efficient, user-friendly, and feature-rich digital banking experience.

Objectives:
NBK's Mobile Banking App strategy focuses on:
- Expanding digital services to minimize reliance on physical branches
- Enhancing user experience with intuitive navigation and personalized features
- Strengthening security measures for safe and secure transactions
- Improving accessibility and convenience for all customers

Outcome:
- In 2024, NBK introduced over 90 new features and improvements to the Mobile Banking App
- Customers benefit from a faster, more responsive, and customer-centric digital banking experience
- The app offers enhanced security, personalized services, and a streamlined banking journey
- NBK continues to innovate, ensuring the app remains at the forefront of digital banking transformation

1

Enhanced User Experience

- Instant access to transfer receipts and customizable monthly statements
- Quick and convenient transaction features, including bill splitting, account loading, and instant transfers, now accessible from the home screen
- Haptic feedback and improved navigation for a smoother experience

2

Advanced Security & Payments

- Strengthened 3D Secure Payment Service for enhanced fraud protection
- WAMD Money Transfers: Send money instantly using just a mobile number, in collaboration with Knet and the Central Bank of Kuwait
- Introduction of IBAN+, simplifying international transfers

3

Innovative Digital Products

- NBK 247 Prepaid Card: Kuwait's first fully virtual prepaid card, offering up to 24% cashback, seamless point redemption, and integration with Apple Pay, Samsung Wallet, and Google Pay
- Al Jawhara Saver Account: A new savings account with competitive rates, bonus interest in the first year, and eligibility for prize draws
- Digital Credit Cards are linked to Al Jawhara accounts, providing exclusive benefits and instant digital wallet integration
- Loan & Card Onboarding: Streamlining the application process and reducing reliance on branches

4

Enhanced Relationship Management & Account Services

- Direct Access to Relationship Managers: Customers can schedule appointments and view RM details through the app
- KYC & Civil ID Updates: A simplified process for updating expired Civil IDs via NBK Mobile Banking and Kuwait Mobile ID
- Linking Minor Accounts Digitally, allowing easy management of youth accounts
- E-Dividends Service: Enabling customers to manage dividends efficiently
- Interest in Advance Term Deposit: A seamless experience for managing deposits through the app

5

Smart Personalization & Convenience

- Profile & Product Nicknames: Allowing customers to personalize their accounts
- Hide Account Balances with a simple shake
- Card Flip Feature: For an interactive banking experience
- Shortcuts & Smart Notifications powered by In-App Analytics for data driven decision and customer engagement

Case Study: Customer Empowerment Through Mobile Transformation

Overview
In 2024, NBK continued its mobile transformation efforts following the launch of the new NBK Mobile Banking App. The focus remained on maintaining the pace of innovation and expanding the app's capabilities to enhance digital banking experiences. By introducing new features and services, NBK can meet the evolving needs of digital-first customers, ensuring a seamless and fully digital banking experience.

Objectives
- Cater to digital-only customers who primarily rely on mobile banking
- Introduce new features that enhance user experience and accessibility
- Enable customers to complete banking transactions fully digitally, reducing the need for branch visits
- Continuously refine digital journeys based on customer feedback and identified pain points

Outcomes
NBK introduced several new features in 2024 to support the shift toward digital-only banking, including:
- Transfer Enhancements: Consolidated money management options under the dashboard for improved usability
- WAMD Service: Allows customers to send and receive local transfers using a mobile number
- Add by Mobile Number: Enables the addition of NBK beneficiaries via a mobile number
- Load Account via KNET: Allows customers to easily top up their accounts in-app
- AFAQ Regional Transfers: Facilitates cross-border transactions within the Gulf region
- Purchase Confirmation: Enhances security by allowing customers to confirm payments directly in the app instead of using OTP
- IBAN+ Feature: Automatically populates beneficiary bank details for easier international transfers

Case Study: Digitization of Traditional Banking Services

Overview
NBK has prioritized the migration of traditional banking services to its Mobile Banking App. This initiative reduces reliance on paper-based and branch-only processes, and enhances the accessibility of key banking services.

Objectives
- Transition traditional banking services to the mobile app, making it the primary customer touchpoint
- Enhance the user experience through intuitive digital solutions
- Streamline services in a self-service format while ensuring compliance
- Meet customer expectations by providing a fully digital service experience

Outcomes
NBK successfully digitized multiple banking services in 2024, including:
- Digital statements: Customers can now access digital statements through the app
- KYC and Civil ID Updates: Enables users to update their expired Civil ID via NBK Mobile Banking and Kuwait Mobile ID
- Relationship Manager Contact: Customers can directly schedule appointments with their relationship manager through the app
- Minor Account Linking: Streamlined the process of linking youth accounts digitally
- Fully Digital Prepaid Card Onboarding: Introduced a seamless, digital process for applying for prepaid cards

Case Study: Expanding Financial Inclusion Through Digital Products

Overview
NBK introduced a range of digital-first financial products in 2024 to enhance financial inclusion and expand banking accessibility. These products offer greater flexibility and convenience to customers, empowering them to manage their finances entirely through mobile banking. By leveraging fully digital onboarding, NBK ensures an effortless and user-friendly banking experience.
Objectives
- Increase accessibility to banking services for a wider customer base
- Promote digital banking adoption through innovative, mobile-first solutions
- Strengthen financial inclusion by offering new digital products tailored to diverse customer needs

Outcomes
Key digital products launched in 2024 include:
- NBK Mobile App Accessibility: NBK introduced 30+ features to the app to provide seamless access to daily banking needs anytime, anywhere. In line with our commitment to financial inclusion, and to ensure accessibility to all, the app is curated to accommodate elderly individuals and those with mobility challenges seeking easy payments and transfer solutions, such as WAMD, Afaq, and E-dividend services. This year, NBK has introduced more end-to-end digital products through the app, such as the issuance of digital certificates and bank statements to reduce the need for physical branch visits
- NBK 247 Prepaid Card: Kuwait's first fully virtual prepaid card, offering up to 24% cashback, easy point redemption, and compatibility with Apple Pay, Samsung Wallet, and Google Pay. A physical card is available on request
- End-to-End Digital Credit Card Issuance: NBK customers can apply for a credit card linked to their Al Jawahra account entirely through the app, earning miles and exclusive offers. This is the first fully digital credit card issuance process in Kuwait
- Al Jawahra Saver Account: A savings account offering competitive interest rates, bonus rewards in the first year, and eligibility for monthly and grand prize draws, all accessible via NBK's Mobile App

6.4.2 Weyay: Redefining Digital Banking in Kuwait

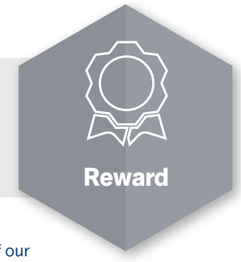
In 2021, Weyay was launched as Kuwait's First Digital Bank, with the fundamental commitment to "Empower Individuals for a Digital Future." As a digital-first, paperless bank, Weyay also contributes to environmental sustainability by minimizing paper usage and reducing the carbon footprint associated with traditional banking branches. Our approach to banking is shaped by four core pillars that define our vision and guide every customer's experience:

We aim to reduce complexity in managing money, providing users with intuitive, easy-to-use digital tools that make banking straightforward and accessible. By simplifying financial processes, we help our customers focus on what matters most.

We strive to reduce the steps it takes for customers to take action. With Weyay, transactions and financial decisions are fast and seamless, empowering users to act quickly and efficiently. Our goal is to make managing money as quick and effortless as possible.

At Weyay, we believe in the power of knowledge. We provide the tools and resources necessary for individuals to succeed in managing their finances. Through financial literacy initiatives, in-app features, and educational content, we help customers make informed decisions and take control of their financial futures.

We motivate our customers to go further by offering rewards that encourage progress and financial growth. Whether it's through savings pots, personalized incentives, or milestone achievements, Weyay aims to make financial success a rewarding experience.



Through these four pillars, Weyay delivers a comprehensive digital banking experience that caters to the evolving needs of our customers, helping them achieve financial success in an increasingly digital and sustainable world.

In 2024, Weyay Introduced Impactful Initiatives Designed to Drive Meaningful Progress in ESG Areas:

Gen W (Weyay Generation) This part time program provides high school and college students with hands-on experience in personal finance and banking. The program allows students to join Weyay to enhance their soft skills through real life sales experience while also introducing them to the complexities of the banking industry. By engaging with young people early on we aim to foster a generation of financially savy individuals while preparing them for future roles in industry.

Capstone Projects with Prestigious universities: In collaboration with top universities in Kuwait such as the Gulf University for Science and Technology (GUST), we have participated in several Capstone projects. These projects allow university students to work on real-world financial problems while integrating Weyay's innovative digital solutions. This partnership not only contributes to academic development but also strengthens our role in shaping the future of the financial sector

In-App Financial Literacy Features: Our app continues to evolve with integrated tools that support financial education directly at users' fingertips. Weyay's mobile application now includes features to set and manage personal budgets, track spending, and monitor financial goals. Additionally, we simplify financial jargon by providing explanations of financial terms in easy-to-understand, layman-friendly language, ensuring our users can confidently manage their finances without feeling overwhelmed by technical terms.

Weyay Jeel: It is Kuwait's first transactional banking app tailored specifically for children aged 8 to 14. This initiative aims to empower the younger generation with essential financial literacy skills while fostering sustainability and promoting parent-child engagement in financial decision-making. The Weyay Jeel program provides an intuitive and secure digital banking experience designed to educate and engage children. Parents can seamlessly onboard their kids into the banking ecosystem via the app, selecting from distinguished debit card designs personalized with their child's name. With this smooth setup process, children gain access to a platform where they can learn the value of money and develop financial responsibility through real-life interactions. The Weyay Jeel program offers a range of innovative features designed to empower children while ensuring parents maintain control and visibility. Security is also prioritized, with cards displaying no sensitive details and the full card information remains accessible within the app.

Weyay Bank's Prepaid and Debit Cards: We are redefining financial services with ESG-aligned solutions tailored for Kuwait's youth, particularly students and young professionals. By providing primarily digital prepaid cards, with an option for a recyclable physical card, Weyay promotes financial inclusion for those without traditional banking access, reduces environmental impact with eco-friendly materials, and enhances financial literacy and independence through user-centric tools and rewards. Additionally, the initiative prioritizes governance through transparent communication, ethical practices, and data protection, creating a comprehensive and responsible banking experience.

Environmental Outcomes

Weyay's transition to a digital-first prepaid card model has significantly reduced the environmental impact associated with traditional plastic cards, including production, packaging, and transportation. The majority of Weyay's prepaid cards are digital, allowing users to enjoy cashless transactions without contributing to plastic waste.

For those preferring a physical card, Weyay now issues prepaid cards made from recycled plastics, marking a significant step towards sustainability. The eco-friendly, recyclable prepaid cards align with Weyay's commitment to reducing its carbon footprint Additionally, the Bank is working to extend this sustainability initiative across all its offerings. Weyay Jeel is designed with sustainability at its core, as the cards are made from 100% recyclable materials, promoting environmental responsibility. Weyay aims to achieve 100% recycled plastic cards and packaging by the end of 2026, further advancing its environmental sustainability goals.

Starting in H2-2025, the Weyay Debit card will also transition to being made from recycled plastics, further solidifying the bank's commitment to reducing environmental impact

Social Empowerment

Weyay's Prepaid Cards, such as the Select Prepaid Card, have enabled young people to better manage their finances, promoting financial independence and responsibility. Students, for instance, can track spending, save for future goals, and develop sound financial habits.

Exclusive rewards such as discounts on Gym memberships, free Car washes, and Movie tickets support a healthy, balanced lifestyle while encouraging social connectivity through shared experiences.

Digital financial tools offer easy access to financial services, particularly for those without traditional banking access, promoting financial inclusion in Kuwait— especially among the younger, tech-savvy generation.

Jeel strengthens financial education for the younger generation while simultaneously promoting a stronger bond between parent and child. It offers controlled, transparent, and educational environment for managing money, empowering both parents and children with tools for financial success.

Weyay fosters financial inclusion to ensure that all young people, regardless of their background, have the opportunity to participate in the financial system and build a secure financial future. Through the application we aim to equip the next generation with the knowledge and confidence to manage their money, plan for the future, and make informed financial decisions.

Governance and Transparency

Weyay ensures transparency with clear communication regarding terms, conditions, and fees for all prepaid cards, fostering trust and accountability with customers.
Continuous customer feedback plays a key role in improving the prepaid card offerings, ensuring that they stay aligned with the evolving needs and expectations of the youth market.

7

Investing **in Our Communities**

2-25, 203-1, 203-2, 413-1, 418-1

NBK pledges to positively add to community development, welfare, and equality. This section highlights NBK's active performance in supporting its community through optimizing its customer experience, expanding its investment in a wide array of Corporate Social Responsibility (CSR) areas, and bridging gaps in financial inclusion and accessibility.

7.1 Customer Experience and Satisfaction

Customer experience is a cornerstone of our operations, shaping the way we innovate, engage, and deliver value. Through a customer-centric approach, we ensure seamless, efficient, and secure banking experiences across all touchpoints. Our commitment to digital transformation and tailored financial solutions empowers customers with greater accessibility, convenience, and security.

In 2024, we continued to enhance our services by expanding digital capabilities, introducing self-service banking options, and offering personalized benefits across different customer segments. These efforts reflect NBK's dedication to fostering financial empowerment, inclusivity, and continuous service enhancement, and to setting new standards in customer satisfaction and engagement.

NBK provides personalized banking solutions for a diverse range of customer segments, including Zeina, Shabab, Thahabi, and Privilege, while ensuring inclusive access for customers with special needs. By continuously enhancing its services, NBK upholds its reputation for excellence and commitment to:

- Faster, more efficient banking experiences
- The expansion of mobile banking services to meet evolving customer preferences
- Versatile and adaptive solutions catering to a broad customer base

Figures	2023	2024
Total Number of Customers (Consumer Banking Group)	947,784	954,236
Youth Segment Percentage From Total Customer Segments	19%	18.7%

NBK also operates Kuwait's largest rewards and loyalty program, with over 1,000 merchants and a suite of exclusive lifestyle offers.

7.1.1 Customer Engagement

NBK actively collects and analyzes customer feedback to enhance service quality. The Insights Team, a specialized unit established in 2023, gathers and reports customer insights through various channels, including online interactions, telephone calls, and in-person discussions.

- Throughout 2024, the Insights Team conducted 20 studies, allowing NBK to refine its products and services based on customer needs
- In 2024, the Insights Team engaged with over 60,000 customers to assess customer experience and service efficiency
- Approximately 85% of customer interactions occurred online, demonstrating NBK's progress in utilizing digital platforms for customer engagement

Reflecting our emphasis on customer needs, NBK conducts the following surveys to gather customers' opinions and address them effectively:

- **Brand Tracker Surveys:** Measuring NBK's brand strength and ad effectiveness
- **Behavioral Studies:** Assessing customer engagement with NBK products and services
- **Customer Experience Surveys:** Evaluating satisfaction levels via QR codes, SMS, and email
- **Mobile App Experience Surveys:** Conducted quarterly to refine online banking services
- **Pre-launch Ad Trials:** Assessing customer responses to optimized marketing campaigns
- **Technology Pilot Studies:** Testing customer reactions to digital innovations before rollout

7.1.2 Customer Satisfaction

NBK evaluates customer satisfaction using multiple assessment tools, including surveys and industry-standard metrics:

- **Surveys:** In 2024, NBK surveyed the satisfaction levels of 28,500 customers. The response rate varied between 3% and 30%, depending on the target audience and research methodology
- **Customer Satisfaction Index (CSI):** In 2024, NBK maintained an overall satisfaction score of 93%. NBK's CSI was based on a sample of 1,750 (including 600 NBK customers), with the "Overall Satisfaction Score" being an aggregate of the "Very Satisfied" and "Satisfied" scores
- **Net Promoter Score (NPS):** NBK's NPS remained high at 57%, indicating strong customer loyalty

7.1.3 Brand Management

Our Brand Management team at NBK conducts two major annual research initiatives to assess our brand positioning. These include the Brand Health Tracker, which is a continuous measure of our Brand's core strengths and standing in the local market throughout the year. In addition, we commission an Annual Brand evaluation by Brand Finance. This involves the use of a proprietary methodology to apply a specific rating to our Brand. This year, NBK's brand value saw an increase, moving from USD 1.428 billion in the previous year to USD 1.738 billion, maintaining its Brand Finance brand rating at AAA-. This significant accomplishment solidifies NBK's status, as the strongest banking brand in Kuwait for the 14th consecutive year, as per the Brand Finance Banking 500 2025 report. With 'Top of Mind Awareness' score of 31%, the highest brand consideration score in the market, and a brand power demonstrated by high difference and salience scores, NBK's brand continues to hold a superior presence in the market.

7.1.4 Customer Complaint Handling Process

NBK follows a structured five-stage process for handling customer complaints:

1. **Raise:** Customers can submit complaints through multiple channels, including our contact center, branches, digital platforms, email, and direct sales representatives
2. **Reach:** Our Customer Care team promptly connects with customers (within 24 working hours) to gain a comprehensive understanding of their concerns
3. **Recovery:** The Customer Complaints Unit (CCU) collaborates with the relevant departments to resolve the issue. Depending on the complaint category, the resolution is typically completed within four days
4. **Root Cause:** A thorough investigation is conducted to identify the underlying causes of complaints and implement corrective measures to prevent recurrence. If multiple customers are impacted, an appropriate resolution is established
5. **Reporting:** The final stage involves documenting and sharing reports with the concerned departments to track the resolution's effectiveness and ensure continuous service improvement

Channel	Complaints
Contact Center	11,952
Branches	1,074
Digital Channels	88
Business Banking (BB)	14
Direct Sales	32
Other Channels	121
Complaints Filed with the CBK	3,543

NBK maintained an 84% resolution rate, with an average turnaround time of four days at the Contact Center.

Case Study: A) NBK Mobile App Enhancements

Overview:
The Bank introduced 30+ new features to its mobile app, enhancing accessibility, security, and digital banking convenience. The app now offers seamless live-agent support, e-dividend services, and features tailored for individuals with mobility challenges and the elderly. These updates have benefited approximately 664,000 customers, reflecting NBK's dedication to innovation and financial inclusion.

Key Impacts:
- Reduced reliance on physical branches, minimizing travel-related carbon emissions
- Enabled the digital issuance of certificates and bank statements
- Maintained a 90% customer satisfaction rate through online surveys
- Promoted financial literacy and secure banking via Diraya campaigns and IBAN+

Case Study: B) Digital Prepaid Cards & Payment Solutions

Overview:
NBK expanded its digital payment solutions, launching:
- Digital prepaid card compatible with Apple Pay, Samsung Wallet, and Google Pay
- Kuwait's first fully digital 24/7 prepaid cashback card, offering up to 24% cashback
- Avios prepaid card in collaboration with Qatar Airways, allowing customers to earn and redeem travel rewards

Key Impacts:
- 53% increase in prepaid card acquisitions in 2024 vs. 2023
- Over KWD 30 million (USD 97.37 million) spent on 24/7 and Avios prepaid cards in 2024
- Reduced plastic waste from physical card production
- Real-time spent tracking and fraud protection
- Fuel, dining, and lifestyle cashback tailored for younger customers
- Through strategic innovation, NBK continues to set new benchmarks in digital banking, fostering sustainable growth, inclusivity, and enhanced customer experience

Case Study: C) Al Jawhara Account Enhancements

Overview:
In 2024, NBK enhanced its Al Jawhara Account, introducing a series of improvements aimed at promoting financial inclusion and responsible saving. Key updates included:

- Increasing the maximum prize to KWD 5 million (USD 16.23 million)—the highest in Kuwait
- Launching Al Jawhara Saver, a first-of-its-kind initiative designed to help customers achieve their financial goals while enjoying competitive returns and digital accessibility
- Introducing Al Jawhara Junior, a savings account tailored for younger customers, fostering early financial literacy with such features as competitive interest rates and prize draws totaling up to KWD 75,000 (USD 243427.46)
- Extending inclusivity to NBK employees through Al Jawhara Staff Account, allowing participation in monthly draws with a grand prize of KWD 10,000 (USD 32456.99)
- Offering seamless product bundling, enabling customers to link a credit card to their Al Jawhara account for enhanced financial rewards

Key Impacts:
- Empowered customers of all ages to develop better saving habits, promoting responsible financial planning
- Reduced reliance on paper through digital account management and transactions, minimizing carbon emissions
- Strengthening customer relationships by enhancing rewards and accessibility through digital banking
- Extended financial benefits to NBK staff, reinforcing inclusivity within the organization

7.2 Community **Development**

NBK seeks to positively impact the Kuwaiti community through its CSR campaigns, programs and initiatives. NBK has a CSR policy that is driven by specific focus areas aligned with the UN SDGs. In doing so, we are able to capture direct impact through the different initiatives and investments while measuring YoY impact progress against the underwritten focus areas.

At NBK, we are committed to creating measurable social benefits while proactively addressing potential risks to ensure responsible community engagement. We identify the following set of potential challenges:

- **Dependency on Financial Donations:** Over-reliance on aid may hinder long-term community self-sufficiency
- **Unequal Outreach:** Some programs may not reach all community segments equally, leading to an imbalanced impact
- **Environmental Footprint:** Certain initiatives may have unintended environmental effects or cause minor disruptions

To mitigate these challenges, the Bank adopts a set of proactive mitigation strategies, including:

- **Strategic Program Design:** Initiatives align with Vision 2035 and the UN's SDGs to ensure sustainability and inclusivity
- **Impact Assessments & Stakeholder Engagement:** Continuous evaluation and collaboration help identify and mitigate risks
- **Transparent Monitoring & Reporting:** Programs follow clear KPIs, stakeholder feedback mechanisms, and transparency measures to ensure accountability and effectiveness

7.2.1 Community Contributions

NBK maintains its contribution to social growth in Kuwait through its focused CSR activities with multiple key community partners. The Bank's social initiatives align with Kuwait's sustainability goals and the strategic pillars of Vision 2035, focusing on:

1. Developing a sustainable and diversified economy
2. Investing in human capital and education
3. Promoting community well-being and responsible social initiatives

In 2024, the Bank improved its PR and CSR operation by enhancing reporting mechanisms to measure the impacts of its projects, such as the Bankee Program. Outreach and engagement are strengthened by the adoption of technology. To raise awareness of NBK's national role, we have expanded internal and external stakeholder communication channels. This year, NBK strengthened its commitment to community engagement and development across key CSR focus areas:

1) Education & Youth Empowerment

NBK's commitment to nurturing a new generation of responsible, skilled, and socially conscious leaders

2) Healthcare

NBK's commitment to enhancing quality of life through medical financial support

3) Community Outreach

NBK's commitment to creating a community of support by empowering individuals with disabilities, fostering equality, and promoting social well-being

4) Employee Well-being

NBK's commitment to employee well-being through both physical and mental health programs

5) Environmental Sustainability

NBK's commitment to environemtnal protection and stewardship

6) Women Empowerment

NBK's committment to women empowerment through leadership intitatives

Project Break Down by Focus Area

Areas	Number of Projects/ Initiatives	Investment in KWD
Education & Youth Empowerment	6	866,807
Healthcare	3	100,000
Community Outreach	17	501,912
Employee Well-being	10	141,802
Environmental Sustainability	10	114,140
Total	**46**	**1,724,661**

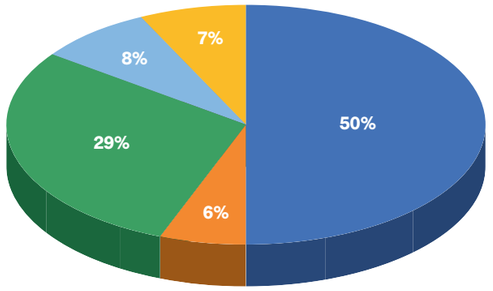
Community Development Investment & Employee Volunteerism

	Unit	2023	2024	Growth
Total Community Investment	KWD million	28	30	9%
Total Community Lending, Financing, and Investments That are Not Considered Donations	KWD million	750	770	3%
Percentage of Operations With Implemented Local Community Engagement, Impact Assessments, and/or Development Programs	%	38%	48%	26%
Total Number of Employee Volunteering Hours	Number	293	261	-11%
Total Number of NBK Volunteers	Number	91	81	-11%

Community Contributions

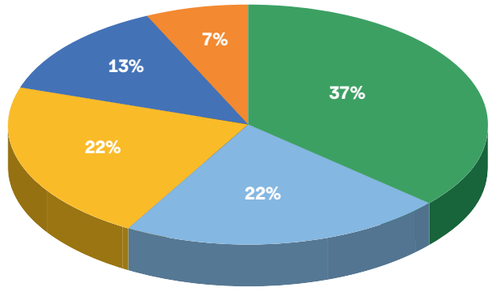
	2023 (KWD million)	2024 (KWD million)
Community Contributions	1.396	1.941
Total Amount Spent on National Labor Support Tax (NLST)	14.088	15.095
Total Amount Spent on KFAS	5.911	6.378
Zakat	6.267	6.772
Total	**27.662**	**30.186**
YOY Growth		9.13%

Community Development Focus Areas (% of Investment)



- Education & Youth Empowerment
- Healthcare
- Community Outreach
- Employee Well-being
- Environmental Sustainability

Community Development Focus Areas (% of Activities)



- Education & Youth Empowerment
- Healthcare
- Community Outreach
- Employee Well-being
- Environmental Sustainability

2024 NBK's Community Development Efforts

1- Education & Youth Empowerment Focus Areas

NBK's educational impact is significant through such initiatives and programs as:

Loyac KON & Kilma Programs

- NBK collaborated with LOYAC in 2024 to support two youth development programmes that increase youth leadership and entrepreneurship skills:
- **The KON Entrepreneurship Program** empowers youth with entrepreneurial skills to think creatively, take risks, and build social impact ventures that align with community needs
  - 53 youth in the 11–16 age group participated in the programme
  - Participants received a couple of workshops that enriched their knowledge on areas related to emotional intelligence, self-acceptance and resilience, and public speaking and pitching
- **Kilma Program** aims to develop the next generation of leaders by enhancing public speaking, critical thinking, and debate skills, thereby helping youth become more confident and capable of engaging in meaningful discussions

Tamakan Innovative Training Program

- Powered by Creative Confidence's TAMAKAN, NBK supported a transformative 10-week hands-on training initiative aimed at young Kuwaiti graduates aged 22 and above
- The program is designed to offer 34 trainees an authentic and immersive experience of 350 training hours to improve their professional, problem-solving, communication, leadership, and critical thinking skills
- Practical exposure in a real-world setting makes them market ready and excel their capacities in the competitive business markets. The involvement in real business challenges contribute to youth self-development and career growth

Sponsorship of Rafa Nadal Academy (RNA)

In 2024, NBK partnered with Rafa Nadal Academy Kuwait (RNAK) to support multiple initiatives targeting youth sporting talent development. The program offered young athletes world-class training and mentorship to support their physical well-being, personal growth, and active lifestyle. The initiative supported 26 players across three initiatives:

- **NBK Sponsorship of Rafa Nadal Academy Kuwait Junior Program**
  - Supported 7 junior players from RNAK to develop their tennis skills
  - Focused on building resilience, teamwork, and discipline through tennis
- **NBK Support for Rafa Nadal Academy Youth Team Summer Camp in Toulouse**
  - Sponsored 10 youth players (5 boys and 5 girls) for a 3-week camp in collaboration with French Touch Academy in France
  - Provision of intensive training (2 sessions daily + fitness classes), tournaments to enhance competitive skills, recreational activities (beach outings, sightseeing, karting), and enriching experience for physical and mental growth
- **Rafa Nadal Mallorca Trip**
  - Sponsored 9 players to participate in the "Top Ten Pro" world tournament hosted at Rafa Nadal Academy, Mallorca, Spain
  - more than 900 matches were played across 52 countries
  - NBK-sponsored players participated in 72 matches, gaining valuable experience against different aged international competitors
- **Tennis Competition in Ramadan**
  - Organized tennis competition for 200 Academy members in Kuwait (RNAK), as part of its annual Ramadan Program "Doing Good Deeds"
  - The Competition was completed by 200 professional and amateur female and male players in RNAK

Bankee Financial Literacy Program

- The program succeeded in empowering youth and families with essential financial knowledge, such as budgeting, saving, and investing, helping them build a stronger financial future

2- Healthcare Focus Areas

NBK contributes to Vision 2035's goals of advancing quality of life through multiple health-related partnerships and initiatives.

KACCH-Child Life Program

- NBK collaborated with KACCH to advocate for the provision of optimal high-quality care and resources for children with life-threatening illnesses to reduce hospitalization stress on both patients and their families
- We have provided annual financial support for covering healthcare providers expenses to advance the delivery of specialized pediatric and palliative care services

Beit Abdulla Hospital for Children with Cancer BACCH

- NBK's support to Beit Abdulla BACCH hospice for children with cancer prioritizes:
  - Comfort and psychosocial well-being of patients for a sustained positive influence on families navigating grief
  - Helping families navigate the emotional challenges of caring for terminally ill children and coping with grief through BACCH's psychosocial programs
  - Improving medical staff expertise

3- Employee Well-being Focus Areas

Employee Well-being Program

NBK's Employee Well-being Program prioritizes the physical, mental, and community health of employees. It provides comprehensive healthcare services, breaks the stigma around mental health, and reinforces employee social engagement through family and community wellness initiatives and volunteerism. NBK continues to expand its wellness initiatives as part of its Employee Well-being Programme; 7% of PR & Communication budget was allocated to employee well-being. The program includes:

1. **Health Clinic:** As the healthcare provider for NBK's in-house clinic, Wara Hospital offers essential medical consultations, diagnostic services, immediate medical care, regular health check-ups, and other wellness benefits for employees.
2. **Mental Health Support:** NBK launched comprehensive mental health programs, including access to counseling services and stress management workshops.
3. **NBK Gym:** In collaboration with Inspire Sahara Gym, NBK opened a gym in its headquarters for all employees to encourage a healthier lifestyle, help reduce stress, and boost their productivity.
4. **Family Wellness:** includes trips, activities, events, and other programs and initiatives, all of which aim at fostering work culture and increasing retention.
5. **Community Wellness** NBK encourages its employees to participate in volunteering programs and activities, integrating them into the bank's social and philanthropic initiatives

The effectiveness of these initiatives is assessed through employee feedback surveys, health metrics, and engagement levels. In 2024, employee participation in well-being programs increased by 10.7%. Feedback outcomes highlight improved employee morale, reduced absenteeism, and higher satisfaction levels.

4- Community Outreach Focus Areas

Through impactful social outreach programs, NBK solidifies a sense of community support by empowering individuals with disabilities, reinforcing equality, and promoting social well-being. NBK community outreach efforts include:

NBK's "I Dream To Be" Initiative

- The first-of-a-kind initiative that aims at granting wishes for children with cancer, giving them the chance to live their dreams
- The initiative provides the children with a platform to express their aspirations, nurturing hope and optimism in the face of adversity
- NBK organized fundraising events, activities, mentorship for children to experience moments of joy and a sense of normalcy during treatment
- We executed awareness campaigns to support childhood cancer research
- Five to six sick children were reached to fulfill their dreams and navigate their physical and emotional challenges of cancer treatment with a positive mindset

NBK's Children Hospital Weekly Activities

- As part of one of the largest Kuwaiti CSR projects, NBK organized weekly events, a library corner and storytelling sessions, movie night, and annual Carnival
- Activities were provided for 297 children at NBK Hospital and Stem Cell Therapy Unit
- The project alied with to the international standards regarding strategies, policies, processes and day-to-day practices
- The Bank will always be committed in supporting the Hospital and its unit to move forward in progress at the level of services and care

NBK's Annual Ramadan Program: Strenghting Community Bonds

For nearly three decades, NBK's Ramadan Program has fostered community engagement and solidarity in Kuwait through various initiatives. In 2024, the program supported 22,265 beneficiaries and distributed 5,000 meals across the country. The program provides key Initiatives, including:

- **Ramadan Tours:** Special convoys distributed 5,000 Iftar meals in different areas, ensuring support reaches those in need
- **Traffic Awareness Campaign:** To promote road safety, NBK provided 1,000 fast-breaking meals to drivers at key intersections, helping reduce accidents during Iftar time
- **Gergean Celebration:** At NBK Children's Hospital, NBK shared the joy of Gergean, distributing 17,000 gift boxes to children
- **Loyac Farhat Al Eid Initiative:** In collaboration with LOYAC, NBK organized an Eid Clothing campaign, enabling 30 underprivileged children to choose new Eid outfits, bringing joy and dignity to families
- **Safety Kits Distribution:** NBK volunteers, in partnership with Kuwait Fire Force, provided 35 safety kits at Kuwait Towers, including fire blankets, alarms, first aid, and extinguishers to promote public safety
- **NBK Volunteer Engagement:** As part of the "Do Good Deeds in Ramadan" initiative, NBK employees visited various communities, institutions, and hospitals to give back and support those in need

NBK Run and Sports Inclusivity
- NBK Run was a key event in 2024, promoting inclusivity through a special category for individuals with disabilities
- Celebrating its 30th year, the run featured two routes with awarded cash prizes to the top finishers
- The event raised funds for community development programs while encouraging physical health, well-being, and community engagement
- A notable addition this year was the introduction of a category for Para athletes, in collaboration with EQUATE Petrochemicals, with a platform for individuals with disabilities to compete and excel

NBK Sponsors Center 21 for Young Adults with Disabilities
- National Bank of Kuwait (NBK) continued its sponsorship to Center 21 for Individuals with Disabilities
- During 2024, the center held an event which brought together 75 individuals with disabilities and featured engaging activities, gifts for 170 participants, creating a memorable experience for all involved

NBK Sponsors Kuwait Association for Learning Difficulties "KALD" Campaign
- **Integrated Educational Program:** Since April 2020, NBK has proudly sponsored KALD's Integrated Educational Program to empower students with learning differences and/or ADHD. This comprehensive initiative combines tailored academic, social, and psychological support to each student's needs. Total beneficiaries increase from 50 students in 2020 to 1,400 in 2024 with enriched academic performance, social skills, and mental well-being.
- **KALD Summer Club:** Held annually since 2021, this program promotes physical activity, friendship, and leadership skills through interactive activities. It managed to reach 60 students in 2024 with enhanced self-esteem
- **KALD Persevering Student Award:** celebrates students with learning differences and ADHD who exemplify resilience and commitment. 54 students and teachers honored in 2021-2022, increasing to 52 in 2023-2024
- **October ADHD Awareness Campaign ("You Are Not Alone" - "أنت لست وحدك")**: educates around 100 from the public about ADHD, offering diagnostic consultations and promoting the inclusion of affected individuals into society
- **KALD Spring Camp (Al-Wafra Farm):** offers a unique retreat for students to strengthen their individuality, and life skills. 27 students in 2024 engaged in transformative workshops

NBK Supports Dar Al Athar Al Islamiya (DAI) Cultural Season
- NBK has positioned itself as a patron of arts and culture by supporting Dar Al Athar Al Islamiya in organizing cultural and educational initiatives aimed at preserving Islamic heritage and promoting cultural awareness in Kuwait

NBK Aspire Program for High-School Students
- NBK successfully concluded its 2024 Summer Internship Program
- The two-week initiative, held from June 30 to mid-July, targets high school students, aged 14 -18, to equip them with key skills and knowledge (workplace integrity, cybercrime and fraud, sustainability, and career exploration) through interactive workshops and training sessions
- The initiative was supported by our renowned partners, including Aspire, the Ministry of Interior, Nazaha, Omniya, Kuwait Diving Team, and Creative Confidence
- NBK's Summer Internship Program remains a cornerstone initiative in its Community Outreach focus, cultivating well-rounded, future-ready leaders while aligning with Kuwait's Vision 2035

5- Environmental Sustainability Focus Area

Recognizing the importance of environmental responsibility, NBK introduced a set of eco-friendly practices and initiatives to preserve natural resources and drive environmental stewardship in Kuwait.

Omniya Plastic Collection Program
- NBK continued to promote environmental responsibility, encouraging communities to recycle and reduce plastic waste
- NBK is the strategic partner for the Omniya Plastic Bottles Collection – "Omniyat Madristic" government schools competition
- The competition involved 100 public schools, spanning from kindergarten to secondary levels across all regions of Kuwait
- Over a span of six weeks, the initiative successfully engaged over 276,000 participants in environmental efforts
- The initiative helped divert 185 tons of waste from landfills, contributing to 555 cubic meters of saved landfill space
- The competition aimed to encourage sustainable practices within schools, culminating in the collection of 185 tons of waste from participating school locations
- By removing and properly managing this waste, the program contributed to a reduction of 462.5 tons of CO2 emissions, significantly lowering the overall carbon footprint of participating schools

Kuwait Dive Team

NBK and Kuwait Dive Team collaborated their efforts to initiate coastal conservation projects that target Kuwait's natural marine resource preservation. With Kuwait Dive Team, NBK managed to:
- Conduct 9 maintenance operations to maintain 7 marine mooring sites around coral reef sites in southern Kuwait
- Carry out 37 operations to remove 57 tons of harmful debris, contributing to cleaner waters and safer habitats for marine life
- Undergo 10 operations to remove 9 tons of abandoned fishing nets, helping prevent ghost fishing and protecting marine life from entanglement
- Execute 11 operations to salvage sunken boats, yachts, and marine vessels, reducing totaling 58 tons in weight
- Complete 67 operations with a total weight of 124 tons of debris and materials removed or salvaged
- Install marine patrols in the sea to inspect the overall condition of marine life and its safety

LOYAC's Environmental Initiatives
NBK makes sure to encourage Kuwaiti youth engagement in environmental sustainable endeavors through three common programs in partnership with LOYAC.

- **Green Derb Program:** encourages young people to engage in eco-friendly activities, fostering a sense of responsibility toward environmental conservation.

- **EcoQuest Event:** the event engaged 35 students from five schools and provided them with an opportunity to shift their classroom learning to real-world environmental challenges. Through interactive sessions and projects, participants explore environmentally innovative solutions, while building meaningful connection with peers and mentors. Participants had access to:
  a) Planting Session: Facilitated the planting of over 100 native plants, enhancing local biodiversity, improving air quality, and fostering environmental responsibility among participants
  b) Innovative Projects: Five creative projects emerged, tackling key environmental challenges with practical solutions, including recycling plastic waste for artificial limbs and harnessing waste-to-energy solutions. These projects demonstrated a strong commitment to sustainability and problem-solving
  c) Digital Outreach: To extend the impact beyond the event, each team created an Instagram account and developed pitch proposals, ensuring their projects reached a broader audience and inspired further action
  d) Hands-on Learning: Participants gained practical experience in environmental conservation through interactive activities that reinforced the importance of sustainability in daily life

- **Green Adventure of Portugal:** the green travel program trip educated young people on sustainable travel practices. It contributed to environmental conservatism by:
  a) Providing participants, aged 24-29 years old, with hands-on experience and knowledge in sustainable farming practices
  b) Educating participants on permaculture, garden and farm design, scared geometry, and community fairshare concepts
  c) Stimulating positive impact on local biodiversity and ecosystem health by planting native trees and establishing gardens

Case Study: Green Adventure of Portugal (June–July 2024)

Overview:
As part of NBK's commitment to environmental sustainability, the Green Adventure of Portugal program provided participants with hands-on experience in permaculture and regenerative agriculture and set a maximum prize of KWD 5 million (USD 16.23 million) the highest in Kuwait.

Key Objectives:
- **Educational Impact:** To provide 10 participants with practical knowledge in composting, soil preparation, permaculture design, and sustainable farming
- **Environmental Contribution:** To engage participants in tree planting, vegetable garden cultivation, and ecological conservation efforts to enhance biodiversity

Sustainability Practices:
The program was sustainably organized to minimize its environmental footprint in terms of accommodation, waste management, and transportation:

- **Accommodation:** Participants stayed at an ecological farm that uses renewable energy resources and practices water harvesting
- **Transportation:** Shared transportation with EVs to reduce carbon footprint
- **Waste Management:** Active food waste composting
- **Resource Efficiency:** Water harvesting and solar-powered heating minimized reliance on non-renewable resources

NBK's Role:
- **Sponsorship:** Provided financial and logistical support to enable participant involvement
- **Promoting Environmental Awareness:** Facilitated hands-on learning in sustainable agriculture, permaculture, and regenerative practices
- **Empowering Youth & Community Engagement:** Supported young participants in gaining practical skills which could be applied in their communities

Program Outcomes:
- **Training Hours:** 51 total training hours per participant (510 cumulative hours)
- **Participants' Feedback:** 100% rated the experience positively, and all felt inspired to implement permaculture principles.
- **Long-Term Impact:** Encouraged sustainable practices within local communities and fostered environmental awareness

7.2.2 Volunteering and Employee Engagement

At NBK, volunteerism is a core pillar of our CSR efforts. We believe community involvement not only benefits society but also fosters employees' personal and professional growth. Employee engagement in volunteering work enhances their productivity, well-being, and engagement, while positively affecting the Kuwaiti community. To strengthen this commitment, NBK established the Volunteer Club for all employees seeking to contribute to CSR initiatives organized or supported by the Bank. NBK encourages employee volunteerism through:

- **Open Participation:** All NBK employees can join and engage in volunteer programs, activities, and initiatives
- **Active Promotion:** Regular updates on the Volunteer Club are shared via internal communication channels, including the "I Am NBK" Instagram page, announcement emails, and direct messages to department heads
- **Recognition & Appreciation:** NBK actively acknowledges and celebrates employees' volunteer efforts, reinforcing a strong culture of community engagement

7.3 Financial Inclusion, Accessibility, and Literacy

NBK enriches its social responsibility by promoting financial inclusion and accessibility. The Bank develops targeted solutions to increase financial literacy, expand banking accessibility, and provide affordable and convenient services to underbanked segments, including SMEs and younger populations.

7.3.1 Literacy

NBK has significantly advanced its commitment to financial education through the Bankee Program. Designed to bridge educational gaps and equip students with financial literacy, the program is implemented in Kuwaiti private elementary and middle schools. It aligns with international best practices for financial literacy education, incorporating real-world economic concepts (e.g., the global "My Classroom Economy" framework) while being tailored to local cultural contexts.

Bankee Program Overview

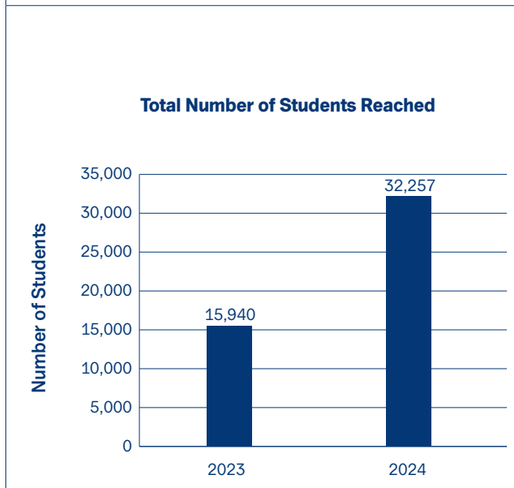
Digital Banking and Financial Literacy Tool	Student Engagement Approach
• The Bankee Program contributes to Vision 2035's goal of enhancing human capital development • Bankee is a digital platform that enables students to manage virtual accounts, simulate budgeting, and develop essential financial skills, including paying bills and financial planning • The application provides the students with experiential learning to save, invest, and transact their earned virtual currency (Bankos) in exchange for goods at the Bankee store	• Bankee is interactive and practical, promoting high student engagement • Students receive Bankos (virtual currency) every week to save or spend. While some struggled to save enough, many found the activity engaging • Students engaged in extracurricular elements, such as operating the Bankee store and managing roles
Partners	**Investment and Budgeting**
• Creative Confidence Consulting Company and Training Institute • The Ministry of Education and Nazaha (Kuwait Anti-Corruption Authority) • In 2024, NBK partnered with the Kuwait Red Crescent Society (KRCS) to enhance the program's social responsibility component. This partnership provides students with a holistic experience, emphasizing the importance of saving money while fostering a sense of social contribution	• In 2024, the program's investment reached KWD 750,000 (USD 2,434,274.59), representing a 17% annual growth

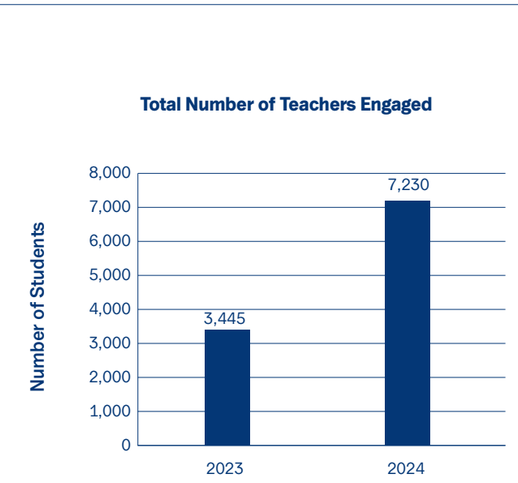
2024 Progress

1) Growing Reach and Engagement

- 289 completed applications were submitted
- 32,257 students were reached, and 7,230 teachers were engaged
- 61 schools participated (added 31 new schools)

The broadened social participation and impact highlight the growing interest in the Bankee Program among schools and students across Kuwait





2) Positive Behavioral Changes Among Students

- **Improved Financial Awareness:** At the program's conclusion, 94% of students recognized the importance of budget tracking, up from 81% the previous year
- **Enhanced Financial Literacy:** Students' financial literacy scores increased by 9%
- **Positive Emotional Impact:** Emotional well-being improved, with a 9.6% reduction in emotional problem scores
- **Gender-based Behavioral Insights:** Girls demonstrated stronger self-control, exhibiting better saving and budgeting habits, while boys' spending tendencies were more impulsive
- **Charitable Engagement:** Students contributed to positive social impact by donating a portion of their virtual earnings to causes supported by KRCS

3) Application Enhancement

- **New features and functionalities:** Introducing an improved search function, along with enhanced store and inventory management capabilities
- **Ongoing Maintenance and Support:** Establishing an annual contract for platform maintenance and technical support
- **Scalability Improvements:** Expanding platform capacity, including enhancements in hosting and data management
- **Subscription and License Management:** Ensuring timely renewal of subscriptions and licenses
- **Advanced Reporting and Analytics:** Developing comprehensive reports and an interactive dashboard for enhanced data visualization and decision-making

4) Recognition and Impact Validation

- In recognition of its success, the Bankee Program was featured as a case study in London by the NatCen Research Center
- The program is the first of its kind in the region to enhance financial literacy among Kuwait's youth

Future Outlook

- **Advanced Financial Education:** Introducing comprehensive financial literacy topics, including borrowing, interest, and profit, to deepen students' understanding of real-world finance
- **Program Expansion:** Extending the program to include older students in the sixth and seventh grades
- Experiential learning incentives: Maintaining student engagement through rewards, such as educational trips to financial institutions
- **Improved Program Implementation:** Addressing logistical challenges and enhancing parental involvement to ensure a broader reach and consistency across schools
- **Enhanced Community Engagement:** Strengthening partnerships and charitable initiatives to further instill social responsibility among students

Manal Al Mattar, Head of Corporate Communication at NBK, emphasized that the Bankee Program reflects the Bank's commitment to empowering Kuwait's youth with financial knowledge. As a key pillar of NBK's CSR strategy, the initiative supports financial independence and aligns with Kuwait Vision 2035.

Outreach

NBK launched the following campaigns and initiatives using social media platforms and interactive experiments to empower financial education:

Online Diraya Branding & Visibility

- **Digital Outreach:** Launched awareness banners across all social media platforms and integrated financial education branding into NBK's official website.
- **Diraya – Let's Be Aware Campaign:** Produced four high-quality TV commercials to promote financial literacy as part of the Diraya campaign

Daily Tips & Polls

- The Bank shared informative tips and interactive polls across social media channels to enhance financial awareness and engagement

Social Experiments

- The Bank conducted monthly interactive experiments to engage the public and enhance financial education in a relatable way

Fraud Awareness Content

- NBK released over 35 informative videos to educate customers on emerging fraud scams and provide guidance on fraud prevention

"Let's Be Aware" Awareness Campaign

- **Regulatory Initiative:** Launched by the Central Bank of Kuwait and the Kuwait Banking Federation to educate clients about their rights when dealing with banks
- **Public Engagement:** Aimed at enhancing financial awareness through events and broadcasted training courses via NBK channels
- **Educational Publications:** In 2024, NBK released 2,320 publications and 42 press releases to inform customers about banking products and services
- **Workshops and Outreach:** The Bank launched workshops in schools and universities, both public and private across Kuwait, highlighting the top trending fraud techniques and how to stay vigilant online

7.3.2 Accessibility

To enhance banking accessibility, NBK offers a wide network of service points for convenient and inclusive services:

1. **Branches and Mobile Branches:** NBK has a wide network of branches across Kuwait (73 branches) to facilitate access in-person banking services
2. **ATM's:** NBK's extensive network of ATM's allows customers to coveniently perform their self-service tasks such as withdrawing cash, check balances, reset the PIN
   In 2024, NBK introduced new CXBanking ATM software to enhance customer experience, enabling faster deployment of new features across its ATM network
3. **Advanced Self-service Branches:** Customers are allowed to conduct various automated transactions 24/7 to manage their banking needs at their convenience. Self-service branches have been introduced in four new locations, alongside the Bank's 72 traditional branches. The service aims to shift transactions from conventional branches to efficient self-service solutions, accelerating transition to digital banking
4. **NBK Reward Programs:** NBK encourages the use of its services by earning and redeeming reward points for benefits when customers use NBK Credit card (Visa, Mastercard, etc.) at participating outlets
5. **Interactive Teller Machine (ITM):** This service enables customers to talk directly to an NBK Agent for assistance with financial services using audio and video conferencing. It simplifies and fastens transactions with high utmost privacy and security. The Bank has deployed 26 ITMs across multiple branches in Kuwait and London, extending its international service reach
6. **POS (Points of Sale) services:** NBK provides businesses with various POS solutions
7. **Mobile Banking and Online banking:** NBK provides its customers with a wide range of products/services through Watani Online and NBK Mobile app

Special-Needs Friendly Banking Accessibility

NBK ensures that its banking services and products are universally accessible by tailoring measures for customers with special needs. The Bank maintains six specialized branches across the following governorates:

1. Cinema Salmiya
2. Head Office
3. Saad Al Abdulla
4. Rihab
5. Mubarak Al Kabeer
6. Fahaheel Sahely

Specialized facilities have been installed in these six branches to accommodate people with special needs. The disability-friendly branches facilitate banking transactions for customers with visual, hearing, or physical disabilities as specified below:

- ATMs with braille keyboards and earphones, enabling visually impaired customers to withdraw money
- Braille printing facilities
- Trained staff to provide services in sign language for hearing-impaired customers
- iPads with speech-to-text functionality for visually impaired customers
- Wheelchair access to all branches
- Reserved and marked parking spaces
- Easily accessible safe deposit boxes

Differently Abled Customers

- 12 employees in the six special need friendly branches have the capacity to communicate in sign-language
- 42 employees were trained to communicate in sign-language in 2024

7.3.3 Inclusion

NBK has several financial inclusion products and services for specific segments, including SMEs, youth, and children.

SME Lending
NBK is committed to supporting SMEs, recognizing their significant role in Kuwait's sustainable development. NBK offers customized products and services to meet SMEs' business needs, guided by assessments from SME Relationship Managers. NBK support SMEs through:

Recognized Leadership in SME Banking
NBK has been recognized as "Best Bank for SMEs in Kuwait, 2024" by Euromoney. The appreciation highlights the Bank's support for SMEs with high quality and bespoke services.

SME Packages - Mashroey Account and Business Banking Plus

- SMEs are served with various payment solutions, including acquiring services, staff salary portal, flexible financing solutions and business concierge services

Commercial Cards & Debit Cards

- **Expanded Card Portfolio:** SMEs have access to NBK's business banking card portfolio, including the newly revamped debit card
- **Industry-Leading Cashback Program:** In addition to existing commercial prepaid and credit card products, NBK introduces a cashback program offering up to 1.5% on corporate retail spending for SME and Corporate segments

Direct Connection Tailored for SMEs

- **VRO Unit Launch:** NBK has introduced a Virtual Relationship Officers (VRO) unit, providing 24/7 support for SME customers through the contact center
- **Dedicated SME Support:** A specialized team of virtual relationship officers was established, equipped with the necessary expertise to assist both new and existing clients

Empowering SMEs' Digital-driven Growth

- **Bridging the Digital Payment Gap:** NBK identified a lack of accessible digital payment solutions for underserved segments, particularly SMEs in Kuwait
- **Strategic Partnership:** Partnered with Upayments to enhance Kuwait's economic and financial ecosystem by enabling SMEs to scale operations and manage online businesses seamlessly
- **Supporting SME Growth:** NBK has facilitated the growth of 90 SMEs, streamlining their transition to corporate banking services

	2021	2022	2023	2024	Growth
Amount of Credit Facilities Extended to SMEs (in KWD million)	15.58	18.17	20.27	25.04	23.5%
Total Number of SMEs NBK Lent Money	2,276	2,357	3,055	3603	18%

NBK Achieved 14.44% Average Yearly SME Lending Growth Rate since 2021

Al-Amil Segment
NBK has consistently offered the Al-Amil account package for non-Kuwaitis with salaries under KWD 400 (USD 1298.28). The users are offered a debit payroll card to withdraw cash from NBK ATM networks, effectively addressing the needs of the underbanked population As of 2024, there were 110,086 active Al-Amil cards.

Youth
NBK actively champions financial solutions for youth. Since 2009, NBK has offered the Shabab segment for customers aged 13–24, including college and university students. The segment provides a free Shabab Debit Card with international and local usage, NBK Quick Pay access, and five years of validity. It also offers exclusive discounts on education, health and fitness, food and beverages, technology, entertainment, and more. NBK continues to serve younger demographics through its Zeina account, designed for younger bankers up to the age of 13. The account is designed to foster early financial literacy and banking awareness.

NBK Pioneers Digital Financial Inclusion & Literacy for Next-Gen through Weyay Digital Banking initiatives

Case Study: Al Jawhara Account Enhancements

Overview:
In 2024, NBK enhanced its Al Jawhara Account, introducing a series of improvements aimed at promoting financial inclusion and responsible saving. Key updates included:

- Increasing the maximum prize to KWD 5 million (USD 16.23 million)—the highest in Kuwait
- Launching Al Jawhara Saver, a first-of-its-kind initiative designed to help customers achieve their financial goals while enjoying competitive returns and digital accessibility
- Introducing Al Jawhara Junior, a savings account tailored for young customers, fostering early financial literacy with such features as competitive interest rates and prize draws totaling up to KWD 75,000 (USD 243427.46)
- Extending inclusivity to NBK employees through the Al Jawhara Staff Account, allowing participation in monthly draws with a grand prize of KWD 10,000 (USD 32456.99)
- Offering seamless product bundling, enabling customers to link a credit card to their Al Jawhara account for enhanced financial rewards

Key Impacts:

- Empowering customers of all ages to develop better saving habits, promoting responsible financial planning
- Minimizing paper use and carbon emissions through digital account management and transactions
- Strengthening customer relationships by enhancing rewards and accessibility through digital banking
- Extending financial benefits to NBK staff, reinforcing inclusivity within the organization

Case Study: NBK Egypt

NBK Egypt Bridges Financial Inclusion Gaps
In collaboration with MSMEDA (Micro, Small and Medium Enterprises Development Agency), NBK Egypt participated in six financial inclusion initiatives to spread banking knowledge among customers in remote areas.
The partnership has resulted in the following fruitful impacts:

- Increased the number of financial inclusion accounts opened by 80% (4,494 in 2024 compared to 2,523 in 2023)
- Increased prepaid mezza cards issued, with a total of 4,800 in 2024 compared to 4,600 cards issued in 2023

7.4 Privacy and Data Security

In 2024, NBK advanced its data protection strategies, strengthened governance structures, and adopted innovative technologies to enhance security measures and data accessibility, ensuring resilience against data breaches.

NBK has implemented a robust framework for privacy and data security, ensuring compliance with internationally recognized standards, including ISO 27001 and PCI DSS. The Bank conducts multiple internal and external audits throughout the year, covering various security assessments, such as Vulnerability assessments (VA), penetration testing (PT), configuration reviews, and crisis simulations. These assessments help identify and quickly mitigate potential threats (e.g., data breaches). Additionally, all information security policies and procedures undergo an annual review to maintain effectiveness. This protection extends across all business lines and subsidiaries, ensuring resilience and safeguarding client information and trust.

To ensure stringent access control, NBK enforces a “need-to-know” basis for data access, implements data classification protocols, and uses Host & Network Data Loss Prevention (DLP) systems to prevent potential data breaches. The Bank also mandates NDAs for third-party service providers, reinforcing contractual obligations around data protection. Customers are granted control over their personal information, including the choice to opt out of marketing data sharing and request data deletion in accordance with retention regulations.

ISO 27001 certified Security Framework

PCI DSS certified

CBK Cyber Security Framework

To further enhance oversight, the BRCC systematically reviews progress reports on information security risks, including data breaches, and ensures that Executive Management remains updated on the latest measures to mitigate threats, as outlined in the BRCC Charter.

NBK adheres to the CBK Cyber Security Framework, which provides a structured approach to financial system protection. This framework includes risk identification, security implementation, incident management, and the safeguarding of confidential data. The Personal Data Privacy Policy and Information and Cyber Security Policy are fully aligned with this framework, ensuring robust digital banking security for customers.

Strengthening Data Governance and Security
NBK continuously enhances its data governance framework by aligning with global regulatory standards and improving data management capabilities. In 2024, the Bank refined data quality parameters within the Enterprise Data Warehouse (EDW) to ensure accurate and reliable business intelligence. Privacy classification and data protection guidelines were reinforced with advanced security controls to safeguard customer information and mitigate data breaches.

Mitigating Security Threats
Recognizing the critical need for enhanced data protection, NBK has established rigorous protocols to identify and mitigate cyber threats.

As a core component of its Cyber Security Policy, NBK periodically conducts security audits and vulnerability assessments across all systems, products, and practices that handle user data. These measures allow the Bank to proactively identify and rectify potential security risks.

Key elements of NBK’s data protection strategy include:

- **Data Breach Management Policy:** A structured framework for incident response, ensuring swift action in the event of data breaches
- **Access Management Policy:** Clear guidelines for handling personal or private data, restricting access to authorized personnel only
- **PT:** Regular security testing to detect vulnerabilities and prevent data breaches before they occur
- **Incident Monitoring & Response:** Dedicated operational measures to detect, monitor, and swiftly respond to data breaches and cyberattacks, minimizing damage and ensuring business continuity

Advancing AI and Data Analytics
As part of its digital transformation strategy, NBK has expanded its data science initiatives, establishing a solid foundation for AI and machine learning (ML). In 2024, the Bank introduced AI/ML frameworks with control functions and scaled Tableau analytics to over 500 users across the Group.

The Customer 360 Initiative (C360) was also developed to make comprehensive data available for relationship officers to improve customer interactions. A new Opportunity Tracking Report was introduced, allowing users to monitor performance against budget targets, while alerts and indicators were implemented to ensure timely responses to customer needs. A major milestone was achieved with the integration of Kuwait retail data into the EDW, supporting profitability dashboards and enabling more effective data-driven decision-making.

Employee Training and Awareness
Equipping employees with training and protocols is key to safeguarding data and preventing breaches. In 2024, 61% of employees completed NBK’s privacy and security training. The Bank complements its training approach with targeted awareness campaigns and policies to encourage higher participation rates and stronger adherence to relevant standards.

Looking Ahead
Building on the advancements of 2024, NBK is set to its long-term vision to ensure reliable and secure data access, support business growth, and drive digital transformation. The key performance objectives include:

- Ensure reliable data availability to support business initiatives.
- Enhance data literacy across the Bank to drive value creation
- Strengthen data governance strategies to comply with internal and external regulatory requirements
- Encourage innovation and transformation through advanced data-driven initiatives
- Leverage the integration of Tableau for C360 dashboarding and reporting
- Expand C360 across all segments to establish it as an operational CRM
- Minimize customization in the EDW data model to maintain standardized implementations and facilitate smoother upgrades and system enhancements

8
Appendices

8.1 GRI Content Index

Statement of Use	NBK has reported the information cited in this GRI content index for the period Jan. 1 to Dec. 31, 2024 with reference to the GRI Standards.
GRI Standards Used **GRI 1 Used**	**GRI 1: Foundation 2021** **GRI 2: General Disclosures 2021** **GRI 3: Material Topics 2021**
Applicable GRI Sector Standards(s)	N/A for the Financial Services Sector

GRI Standard	Standard Disclosure	Report Section or Other Disclosures	Page #
GENERAL DISCLOSURES			
GRI 2	2-1 Organizational details	2. About NBK	20-22
	2-2 Entities included in the organization's sustainability reporting	1.1 Scope of this Report	6
	2-3 Reporting period, frequency and contact point	1.1 Scope of this Report	6
	2-4 Restatements of information	5.1 Sustainable Finance	68
	2-5 External assurance	Greenhouse Gas (GHG) Assurance Letter GRI Independent Assurance Statement	154-156
GRI 2	**ACTIVITIES AND WORKERS**		
	2-6 Activities, value chain and other business relationships	2. About NBK	20-22
	2-7 Employees	6.1.1 Workforce Overview	86 90 98-99
GRI 2	**GOVERNANCE**		
	2-9 Governance structure and composition	4.1 Corporate Governance	42
	2-10 Nomination and selection of the highest governance body	4.1 Corporate Governance	47-48
	2-11 Chair of the highest governance body	4.1.3b Board Chairman	46
	2-12 Role of the highest governance body in overseeing the management of impacts	4.1.3b Board Chairman 4.1.3d Board Sub-Committees	46 56
	2-13 Delegation of responsibility for managing impacts	4.1.4 Executive Management	49
	2-14 Role of the highest governance body in sustainability reporting	4.4 NBK Modular ESG Governance	56
	2-15 Conflicts of interest	4.2.1b Conflict of Interest and Related Party Transactions	54
	2-16 Communication of critical concerns	6.1.11 Employee Engagement	96-98
	2-17 Collective knowledge of the highest governance body	4.1.3 Board Oversight	44
GRI 2	2-18 Evaluation of the performance of the highest governance body	4.1.3i Board Training and Evaluation	48
	2-19 Remuneration policies	4.1.3j Board Remuneration 4.1.4 Executive Management	48-50
	2-20 Process to determine remuneration	4.1.3j Board Remuneration 4.1.4 Executive Management	48-50
	2-22 Statement on sustainable development strategy	1.2 Chairman's Message/ 1.3 Vice Chairman & Group Chief Executive Officer's Message 3.1 NBK's ESG Journey 3.2 Our ESG Strategy	8-11 28-31
	2-23 Policy commitments	4.2.1 Acting against Unethical Practices	52-53
	2-24 Embedding policy commitments	4.2.1 Acting against Unethical Practices 5.3.2 Initiatives 5.3.3 Supplier Due Diligence and Risk Management	52-53 82
	2-25 Processes to remediate negative impacts	3.4 Materiality 6.1.11 Employee Engagement 7.1.4 Customer Complaint Handling Process	33 96 119
	2-26 Mechanisms for seeking advice and raising concerns	4.2.1a Code of Conduct 5.3.3 Supplier Due Diligence and Risk Management 6.1.11 Employee Engagement	52 82 96
	2-27 Compliance with laws and regulations	4.2.2 Internal and External Audit	54
	2-28 Membership associations	2.4 Awards, Agreements, and Partnerships	24
GRI 2	**STAKEHOLDER ENGAGEMENT**		
	2-29: Approach to stakeholder engagement	3.3 Stakeholder Engagement	32
MATERIAL TOPICS			
GRI 3	3-1 Process to determine material topics	3.4 Materiality 3.4.1 GRI Double Materiality Reporting Approach 3.4.2 Our Materiality Determination Process 3.4.3 Materiality Outcome	33
	3-2 List of material topics	3.4.3 Materiality Outcome	33-38
	3-3 Management of material topics	3.4 Materiality 3.4.1 GRI Double Materiality Reporting Approach 3.4.2 Our Materiality Determination Process 3.4.3 Materiality Outcome	33-38

GRI Standard	Standard Disclosures	Material Topic	Report Section	Page #
ECONOMIC PERFORMANCE				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Performance	4.7 Financial Performance	62
	201-2 Financial implications and other risks and opportunities due to climate change	Financial Performance Risk Management Climate Change and Decarbonization	4.2.3a Acknowledging Key ESG Risks 4.4.3b ESG Risk Assessment & Due Diligence 4.4.3c ESG Risk Mitigation	58
	201-3 Defined benefit plan obligations and other retirement plans	Financial Performance Human Capital Development	6.1.8 Employee Benefits	95
MARKET PRESENCE				
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Diversity and Inclusion	6.2.2 Nationality Diversity	90 98 101
INDIRECT ECONOMIC IMPACTS				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Sustainable Finance	5.1 Sustainable Finance 7.2 Community Development	68 121
	203-2 Significant indirect economic impacts	Community Development Customer Experience and Satisfaction Financial Inclusion, Accessibility, and Literacy	7.1 Customer Experience and Satisfaction 7.2 Community Development 7.3 Financial Inclusion, Accessibility, and Literacy	118 121 132
PROCUREMENT PRACTICES				
GRI 206: Anti-competitive Behavior 2016	204-1 Proportion of spending on local suppliers	Responsible Procurement	5.3 Responsible Procurement	81
ANTI-CORRUPTION				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance, Ethics and Compliance	4.8 Tax Transparency and Anti-Corruption	63
	205-2 Communication and training about anti-corruption policies and procedures	Governance, Ethics and Compliance	4.8 Tax Transparency and Anti-Corruption 6.1.4. Training and Development	63-64 91-92
	205-3 Confirmed incidents of corruption and actions taken	Governance, Ethics and Compliance	4.8 Tax Transparency and Anti-Corruption	63-64
TAX AND TRANSPARENCY				
GRI 207: Tax 2019	207-1 Approach to tax	Financial Performance Governance, Ethics, and Compliance	4.8 Tax Transparency and Anti-Corruption	63-64
	207-2 Tax governance, control, and risk management	Financial Performance Governance, Ethics, and Compliance	4.8 Tax Transparency and Anti-Corruption	63-64
	207-3 Stakeholder engagement and management of concerns related to tax	Financial Performance Governance, Ethics, and Compliance	4.8 Tax Transparency and Anti-Corruption	63-64
	207-4 Country-by-country reporting	Financial Performance Governance, Ethics, and Compliance	4.8 Tax Transparency and Anti-Corruption	63-64
ENVIRONMENTAL MATERIALS				
GRI 301: Environmental Materials 2016	301-101-1 Materials used by weight or volume Environmental Footprint	Climate Change and Decarbonization	5.2 Climate Change and Decarbonization 5.2.4 Waste Management	75 80
ENERGY				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Climate Change and Decarbonization	5.2.3 Energy Management	80
	302-2 Energy consumption outside of the organization	Climate Change and Decarbonization	5.2.3 Energy Management	80
	302-3 Energy intensity	Climate Change and Decarbonization	5.2.3 Energy Management	80
	302-4 Reduction of energy consumption	Climate Change and Decarbonization	5.2.3 Energy Management	80
WATER AND EFFLUENTS				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Climate Change and Decarbonization	5.2.2 Water Management	79
	303-3 Water withdrawal	Climate Change and Decarbonization	5.2.2 Water Management	79
	303-4 Water discharge	Climate Change and Decarbonization	5.2.2 Water Management	79
	303-5 Water consumption	Climate Change and Decarbonization	5.2.2 Water Management	79
EMISSIONS				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change and Decarbonization	5.2.1 GHG Emissions	75-79
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and Decarbonization	5.2.1 GHG Emissions	75
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and Decarbonization	5.2.1 GHG Emissions	75
	305-4 GHG emissions intensity	Climate Change and Decarbonization	5.2.1 GHG Emissions	75
	305-5 Reduction of GHG emissions	Climate Change and Decarbonization	5.2.1 GHG Emissions	75

GRI Standard	Standard Disclosures	Material Topic	Report Section	Page #
WASTE				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Climate Change and Decarbonization	5.2.4 Waste Management	80-81
	306-2 Management of significant waste-related impacts	Climate Change and Decarbonization	5.2.4 Waste Management	80-81
	306-3 Waste generated	Climate Change and Decarbonization	5.2.4 Waste Management	80-81
	306-4 Waste diverted from disposal	Climate Change and Decarbonization	5.2.4 Waste Management	80-81
	306-5 Waste directed to disposal	Climate Change and Decarbonization	5.2.4 Waste Management	80-81
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement	5.3 Responsible Procurement	81
EMPLOYMENT				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital Development	6.1.3 Hiring and Turnover	88-90
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital Development	6.1.8 Employee Benefits 6.1.9 Work-Life Balance	95-96
	401-3 Parental leave	Human Capital Development	6.1.9 Work-Life Balance	96
OCCUPATIONAL HEALTH AND SAFETY				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Wellbeing	6.3.1 Health and Safety	103
	403-3 Occupational health services	Employee Wellbeing	6.1.8. Employee Benefits 6.1.9 Work-Life Balance 6.1.10 Human Rights and Labor Standards 6.1.11 Employee Engagement	95-97
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Wellbeing	6.1.8. Employee Benefits 6.1.9 Work-Life Balance 6.1.10 Human Rights and Labor Standards 6.1.11 Employee Engagement	95-97
	403-6 Promotion of worker health	Employee Wellbeing	6.1.8. Employee Benefits 6.1.9 Work-Life Balance 6.1.10 Human Rights and Labor Standards 6.1.11 Employee Engagement	95-97
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Wellbeing	6.1.8. Employee Benefits 6.1.9 Work-Life Balance 6.1.10 Human Rights and Labor Standards 6.1.11 Employee Engagement	95-97
	403-8 Workers covered by an occupational health and safety management system	Employee Wellbeing	6.1.8. Employee Benefits 6.1.9 Work-Life Balance 6.1.10 Human Rights and Labor Standards 6.1.11 Employee Engagement 6.3.1 Health and Safety	95-97 103
	403-9 Work-related injuries	Employee Wellbeing	6.3.1 Health and Safety	103
TRAINING AND EDUCATION				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital Development	6.1.4 Training and Development	91
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital Development	6.1.4 Training and Development	91-94
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital Development	6.1.5 Employee Performance Management	94-95
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Inclusion	4.1.3a Board Composition and Diversity 6.2 Diversity and Inclusion 6.2.3 Age Diversity	45 98-99 102
NON-DISCRIMINATION				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and Inclusion	4.2.1a Code of Conduct 6.1.10 Human Rights and Labor Standards	52 96

GRI Standard	Standard Disclosures	Material Topic	Report Section	Page #
CHILD LABOR				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Procurement	5.3 Responsible Procurement	53 81
FORCED OR COMPULSORY LABOR				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Procurement	5.3 Responsible Procurement	53 81
LOCAL COMMUNITIES				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessment, and development programs129	Community Development	7.2 Community Development	121
SUPPLIER SOCIAL ASSESSMENT				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Procurement	5.3 Responsible Procurement	53 81

8.2 Sustainability Accounting Standards Board **(SASB) Index**

SASB Consumer Finance

Topic	SASB Metric (Accounting/Activity)	Report Section/ Other Disclosures
Customer Privacy	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Zero
Data Security	1) Number of data breaches	Zero
	2) Percentage involving personally identifiable information (PII)	0%
	3) Number of account holders affected	Zero
	Card related fraud losses from	
	1) Card-not-present fraud	74.72%
	2) Card-present and other fraud	Zero
	Description of approach to identifying and addressing data security risks	Section 7.4: Privacy and Data Security
Selling Practices	Number of complaints filed with any other regulatory body that oversees consumer financial protection in the jurisdiction	3,543
	Percentage with monetary or non-monetary relief	Majority Monetary
	Percentage disputed by consumer	100%
	Percentage that resulted in investigation by the CFPB (or other related body)	100%
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Zero
SASB Commercial Banks		
Data Security	Number of data breaches	Zero
	Description of approach to identifying and addressing data security risks	Section 7.4: Privacy and Data Security
Financial Inclusion and Capacity Building	Number of loans outstanding qualified to programs designed to promote small business and community development	3,603
	Amount of loans outstanding qualified to programs designed to promote small business and community development	KWD 25.04 million
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	All NBK retail accounts do not charge for account opening nor require a minimum balance. Active and open cards of Al-Amil: 110,086
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	NBK expanded the “Bankee” financial literacy program, reaching 32,257 students and 7,230 teachers in 61 schools.

Topic	SASB Metric (Accounting/Activity)	Report Section/ Other Disclosures
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	Refer to NBK's 2024 Annual Report and TCFD Report
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Refer to NBK's 2024 TCFD Report
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Zero
	Description of whistleblower policies and procedures	Section 4.2.1c: Whistleblowing Policy
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	NBK is not classified under G-SIB Bank, rather a D-SIB bank in Kuwait.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Section 4.5: Business Continuity and Business Resilience Refer to NBK's 2024 TCFD Report
Activity Metric	Value of loans by segment: (a) personal, (b) small business and (c) corporate	Refer to NBK's 2024 Annual Report

8.3 **Boursa Kuwait,** SDGs, Kuwait Vision 2035

Metric	Calculation	SDGs	Vision 2035 Pillars	Report Section/ Other Disclosures
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	13 – Climate Action	Living Environment	2,847.92 tCO2e
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)			24,969.08 tCO2e
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)			1,307.65 tCO2e
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	13 – Climate Action	Living Environment	N/A
	E2.2) Total non-GHG emissions per output scaling factor			N/A
Energy Usage	E3.1) Total amount of energy directly consumed	12 – Responsible Consumption and Production	Living Environment	N/A
	E3.2) Total amount of energy indirectly consumed			147,165,491 MJ
Energy Intensity	Total direct energy usage per output scaling factor	12 – Responsible Consumption and Production	Living Environment	N/A
Energy Mix	Percentage: Energy usage by generation type	7 – Affordable and Clean Energy	Living Environment	N/A
Water Usage	E6.1) Total amount of water consumed	6 – Clean Water and Sanitation	Living Environment	37,124,265 Imperial Gallons (IG)
	E6.2) Total amount of water reclaimed			N/A
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No"		Living Environment	No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No			No
	E7.3) Does your company use a recognized energy management system? Yes/No			Yes
Environmental Oversight	Does your Board/Management Team oversee and/or manage climaterelated risks? Yes/No		Living Environment	Yes
	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No			Yes

Social				
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	5- Gender Equality	Human Capital	N/A
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees		6.1.1 Workforce Overview	1.3% increase YoY
	S3.2) Percentage: Year-over-year change for parttime employees			66.67% decrease YoY
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	5 – Gender Equality	Human Capital	Men: 56.8% Women: 43.2%
	S4.2) Percentage: Entry- and midlevel positions held by men and women			Men: 54.15% Women: 45.85%
	S4.3) Percentage: Senior- and executive-level positions held by men and women			Men: 72.41% Women: 27.59%
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees			In 2024, NBK workforce had 1 part-time employee, representing 0.041% of total workforce.
Non-Discrimination	Does your company follow a sexual harassment and/or nondiscrimination policy? Yes/No	10 – Reduced Inequalities	Public Administration	Yes
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	3 – Good Health and Wellbeing		Zero
Global Health and Safety	Does your company follow an occupational health and/ or global health and safety policy? Yes/No	3 – Good Health and Wellbeing		Yes
Child and Forced Labor	S9.1) Does your company follow a child and/or forced labour policy? Yes/No	8- Decent Work and Economic Growth	Economy	Yes
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No			Yes
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	10 – Reduced Inequalities	Public Administration	Yes
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			Yes
Nationalization	S11.1) Percentage of national employees	8 – Decent Work and Economic Growth	Economy	78%
	S11.2) Direct and indirect local job creation			There are 311 new hires in 2024. 89.1% were Kuwaiti nationals

Governance				
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	10 – Reduced Inequalities	Public Administration	Men: 91% Women: 9%
	G1.2) Percentage: Committee chairs occupied by men and women			Men: 100% Women: 0%
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No			Yes
	G2.2) Percentage: Total board seats occupied by independents			36%
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No			Yes
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	10 – Reduced Inequalities	Public Administration	N/A
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	12 – Responsible Consumption and Production		Yes
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?			100%
Ethics and Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	16 – Peace, Justice and Strong Institutions		Yes
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?			100%
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No			Yes
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No			Yes
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No			Yes
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No			Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No			Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No			Yes
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No			Yes

8.4 Greenhouse Gas (GHG) **Assurance Statement**

Ampere

Verification of Greenhouse Gas Emissions Inventory for the Year 2024

To: National Bank of Kuwait (NBK)
Date: April 24, 2025

Ampere has completed the verification of the National Bank of Kuwait's (NBK) Greenhouse Gas (GHG) emissions inventory for the period of January 1, 2024, to December 31, 2024. This verification was conducted using the Greenhouse Gas Corporate Standard, with ISO 14064-1 serving as a guideline.

Scope and Methodology:

Organizational boundaries	Operational Control	
Physical infrastructure, activities, technologies and processes of the organization	Administrative office buildings and branches	
Operational boundaries	**Scope 1**	Stationary combustion (Diesel Generators)
		Mobile combustion (Owned or controlled cars)
		Fugitive emissions from refrigerants (Refrigerants leakage)
	Scope 2	Purchased electricity, heat, or steam (Purchased Electricity)
	Scope 3	Waste generated in operations
		Business travel
Types of GHGs	CO2, HFCs	
Time periods	1st January 2024 – 31st December 2024	
Materiality Threshold	5%	
Level of Assurance	Limited Level of Assurance	
Verification Opinion	Unmodified	

Ampere

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Emmar Towers, Amman, Jordan

Ampere

Verification Procedures:

- Ampere reviewed documentation and data provided by NBK, including GHG accounting methodology, emission factors, and internal controls.
- Ampere evaluated the controls and processes implemented by NBK for collecting, managing, and safeguarding GHG data.
- Ampere conducted a detailed review of actual GHG data used in NBK's inventory, verifying against source documents, checking for consistency and completeness, and ensuring proper application of emission factors.
- Ampere assessed the overall GHG assertion made by NBK regarding their emissions for the reporting period.

Verification Findings:

Verification confirms that the GHG inventory report is substantially accurate within its current scope. While minor opportunities for refinement exist, particularly concerning the documentation of data management and potential updates to specific emission factors, these points were determined to be immaterial to the overall reported emissions. The report provides a reliable representation of GHG emissions for the areas covered.

Verified Emissions for 2024:

GHG Emissions (mtCO2e)	2024
Scope 1 GHG Emissions	2,847.92
Scope 2 GHG Emissions	24,969.08
Scope 3 GHG Emissions	1,307.65
Total GHG Emissions	**29,124.65**

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Verification Opinion

Pursuant to our engagement with NBK, we have performed a limited assurance verification of their Greenhouse Gas (GHG) statement for the reporting period from the 1st January 2024 to the 31st December 2024.

Basis of Opinion: Our work was conducted based on the agreed terms, which specified a limited level of assurance. This dictates the nature, timing, and extent of verification procedures, which are less comprehensive than those for a reasonable assurance engagement. Within this scope, we reviewed the application of calculation formulas, assessed the consistency of data usage, and examined the process for quantifying the resulting GHG emissions against the predefined criteria and materiality level.

Limited Assurance Conclusion: Based on our limited assurance procedures, nothing has come to our attention that would lead us to conclude that the GHG statement presented by NBK for the reporting period from the 1st January 2024 to the 31st December 2024 contains material misstatements.

Distribution and Liability: This statement is provided exclusively for NBK as per our engagement terms. While NBK has our consent to release this statement to external parties to meet specific Carbon Neutrality obligations, we explicitly disclaim any liability or responsibility towards any third party that may access or rely upon this statement.

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8.5 GRI Independent **Assurance Statement**

We help business gain value by operating in much cleverer, sustainable ways

Independent Assurance Statement to NBK

FBRH Consultants Ltd (FBRH Consultants) was engaged by NBK to provide independent limited assurance over the presentation of information in its **2024 Sustainability Report** (the Report), covering the period from **1st January 2024 to 31st December 2024**.

FBRH Consultants is an independent provider of sustainability assurance services and has not carried out any other work for NBK during the reporting period that could affect our independence or objectivity.

Engagement Summary

- **Scope of the engagement:**
  To assess whether the Report is presented with reference to the **GRI Sustainability Reporting Standards** (GRI Standards), specifically ensuring that the disclosures and information listed in **Appendix I** have been appropriately presented.
- **Reporting criteria:**
  The GRI Sustainability Reporting Standards (2021 update)
- **Assurance standard:**
  International Standard on Assurance Engagements (ISAE) 3000 (Revised)
- **Assurance level:**
  Limited assurance
- **Responsibilities:**
  NBK is responsible for the preparation of the Report and the collection and presentation of the information within it. FBRH Consultants' responsibility is to express a limited assurance conclusion based on the scope of work described above.

Our Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention to suggest that the information and disclosures, as defined in the scope of our engagement, have not been presented with reference to the GRI Standards.

Work Performed

Our assurance work was conducted in accordance with ISAE 3000 (Revised) and involved the following activities:

- Review of the final version of the Report to confirm that the required disclosures, as per the GRI Standards, have been presented appropriately;
- Evaluation of the structure and content of the Report for consistency with GRI requirements;
- Examination of the GRI content index and cross-checking of selected disclosures to ensure that references are correctly aligned;

We did not verify the accuracy of data or perform data sampling or site visits. Our work did not include assurance of performance metrics or quantitative data.

Limitations

This assurance engagement was limited to a review of the presentation of information with reference to the GRI Standards and did not include verification of underlying data or assessment of the effectiveness of management systems or internal controls. The inherent limitations of assurance engagements and the use of sampling and selective review methods mean that absolute assurance cannot be provided.

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GRI Nominated Trainer, IEMA Trainer
GRI Certified Sustainability Professional
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FBRH CONSULTANTS 24 YEARS | GRI TRAINING PARTNER 2025 | Sustain case | ISO 9001:2015 | IEMA TRAINING CENTRE | CPD MEMBER The CPD Certification Service

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Appendix I: Scope of our assurance engagement

General Disclosures	
Disclosure #	**Disclosure Title**
2-1	Organizational details
2-2	Entities included in the organization's sustainability reporting
2-3	Reporting period, frequency and contact poin
2-4	Restatements of information
2-5	External assurance
2-6	Activities, value chain and other business relationships
2-7	Employees
2-9	Governance structure and composition
2-10	Nomination and selection of the highest governance body
2-11	Chair of the highest governance body
2-12	Role of the highest governance body in overseeing the management of impacts
2-13	Delegation of responsibility for managing impacts
2-14	Role of the highest governance body in sustainability reporting
2-15	Conflicts of interest
2-16	Communication of critical concerns
2-17	Collective knowledge of the highest governance body
2-18	Evaluation of the performance of the highest governance body
2-19	Remuneration policies
2-20	Process to determine remuneration
2-22	Statement on sustainable development strategy
2-23	Policy commitments
2-24	Embedding policy commitments
2-25	Processes to remediate negative impacts
2-26	Mechanisms for seeking advice and raising concerns
2-27	Compliance with laws and regulations
2-28	Membership associations
2-29	Approach to stakeholder engagement

Requirements	Title
GRI 1	Foundation 2021

Disclosures	Disclosure Title
3-1	Process to determine material topics
3-2	List of material topics
3-3	Management of material topics

Topic-Specific Disclosures	
Disclosure #	**Disclosure Title**
GRI 201-1	Direct economic value generated and distributed
GRI 201-2	Financial implications and other risks and opportunities due to climate change
GRI 201-3	Defined benefit plan obligations and other retirement plans
GRI 202-2	Proportion of senior management hired from the local community
GRI 203-1	Infrastructure investments and services supported
GRI 203-2	Significant indirect economic impacts
GRI 204-1	Proportion of spending on local suppliers
GRI 205-1	Operations assessed for risks related to corruption
GRI 205-2	Communication and training about anti-corruption policies and procedures
GRI 205-3	Confirmed incidents of corruption and actions taken
GRI 207-1	Approach to tax
GRI 207-2	Tax governance, control, and risk management
GRI 207-3	Stakeholder engagement and management of concerns related to tax
GRI 207-4	Country-by-country reporting
GRI 301-1	Materials used by weight or volume
GRI 302-1	Energy consumption within the organization
GRI 302-2	Energy consumption outside of the organization
GRI 302-3	Energy intensity
GRI 302-4	Reduction of energy consumption
GRI 303-1	Interactions with water as a shared resource
GRI 303-3	Water withdrawal
GRI 303-4	Water discharge
GRI 303-5	Water consumption
GRI 305-1	Direct (Scope 1) GHG emissions
GRI 305-2	Energy indirect (Scope 2) GHG emissions
GRI 305-3	Other indirect (Scope 3) GHG emissions
GRI 305-4	GHG emissions intensity
GRI 305-5	Reduction of GHG emissions
GRI 306-1	Waste generation and significant waste-related impacts
GRI 306-2	Management of significant waste-related impacts
GRI 306-3	Waste generated
GRI 306-4	Waste diverted from disposal
GRI 306-5	Waste directed to disposal
GRI 308-1	New suppliers that were screened using environmental criteria
GRI 401-1	New employee hires and employee turnover
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 401-3	Parental leave
GRI 403-1	Occupational health and safety management system
GRI 403-3	Occupational health services
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety
GRI 403-6	Promotion of worker health
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
GRI 403-8	Workers covered by an occupational health and safety management system
GRI 403-9	Work-related injuries
GRI 404-1	Average hours of training per year per employee
GRI 404-2	Programs for upgrading employee skills and transition assistance programs
GRI 404-3	Percentage of employees receiving regular performance and career development reviews
GRI 405-1	Diversity of governance bodies and employees
GRI 406-1	Incidents of discrimination and corrective actions taken
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 413-1	Operations with local community engagement, impact assessments, and development programs
GRI 414-1	New suppliers that were screened using social criteria

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